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GOVERNMENT AND ADMINISTRATION

Devolution Referenda

The results of referenda held on 1 March in Scotland and Wales, to determine whether the people approved the establishment of directly-held assemblies, were announced the following day. In Scotland a small majority of votes cast was in favour of an assembly, while in Wales a large majority was against.

The referenda were held under the terms of the Scotland Act and the Wales Act to determine whether the Scottish and Welsh electorates approved the establishment of assemblies with powers as defined in the two Acts (see pp 252-7, 1977, and pp 319-20 and p 383, 1978). The results of the referenda were as follows:

Scotland: 1,230,937 voters (32·8 per cent of the total electorate) voted 'Yes' and 1,153,502 (30·8 per cent) 'No'.

Wales: 243,048 voters (11·9 per cent of the total electorate) voted 'Yes' and 956,330 (46·9 per cent) 'No'.

The Scotland Act and the Wales Act both provide that if, in the relevant referendum, less than 40 per cent of the total electorate vote in favour of the Act, the appropriate Secretary of State must lay an order to repeal the Act.

Answering questions in the House of Commons on 6 March, the Prime Minister, Mr James Callaghan, confirmed that the Government would be laying the repeal orders, but said that some time was needed for further consideration by the Government. Of the result in Scotland Mr Callaghan said: 'although the 40 per cent requirement that Parliament inserted was not achieved, the House in its consideration of these matters should take care not to offend the one and a quarter million people – a majority – who voted in favour'.

By-elections and State of the Parties

Details of two recent by-election results and the current state of the parties in the House of Commons are shown below.

The Conservative Party retained both its seats in parliamentary by-elections held at Clitheroe and Knutsford on 1 March. The results were as follows:

Clitheroe

D. Waddington (Conservative)	22,185
L. Sutton (Labour)	9,685
F. Wilson (Liberal)	2,242

Some 63 per cent of the electorate voted.

Knutsford

J. Bruce-Gardyne (Conservative)	22,086
B. Ingham (Liberal)	5,206
A. Barton (Labour)	5,124
M. Byrne (Independent Conservative)	486

Some 57 per cent of the electorate voted.

Following the by-elections and the deaths in December of Sir Arthur Irvine, Labour MP for Liverpool Edge Hill, in February of Mr Reginald Maudling, Conservative MP for Chipping Barnet, and in March of Mr Thomas Swain, Labour MP for North East Derbyshire, the state of the parties in the Commons is now as follows:

Labour	306
Conservative	281
Liberal	13
Scottish National	11
Official Unionist (Northern Ireland)	7
Plaid Cymru (Welsh Nationalist)	3
Independent Unionists (Northern Ireland)	2
Scottish Labour	2
Democratic Unionist (Northern Ireland)	1
Independent (Northern Ireland)	1
Social Democratic and Labour (Northern Ireland)	1
Vacant seats	3
TOTAL	631

In addition there are the Speaker and his three deputies, who do not vote except in their official capacity in the event of a tie.

Recent Legislation

The public Acts of Parliament passed between November 1978 and February 1979 are listed on p 48. Acts sponsored by the Government are indicated by an asterisk.

**Alcoholic Liquor Duties Act 1979.* Consolidates laws relating to excise duties on spirits, beer, wine and cider. Royal Assent: 22.2.79. Ch 4, ISBN 0 10 540479 9, HMSO, £1·25.

**Consolidated Fund (No 2) Act 1978.* Authorises the Treasury to make a sum available to the public service. Royal Assent: 14.12.78. Ch 59, ISBN 0 10 545978 X, HMSO, 10p.

**Customs and Excise Duties (General Reliefs) Act 1979.* Consolidates laws relating to reliefs and exemptions from customs and excise duties. Royal Assent: 22.2.79. Ch 3, ISBN 0 10 540379 2, HMSO, 40p.

**Customs and Excise Management Act 1979.* Consolidates laws relating to the collection and management of the revenues of customs and excise. Royal Assent: 22.2.79. Ch 2. Publication details not available at time of going to press.

**Excise Duties (Surcharges or Rebates) Act 1979.* Consolidates certain parts of the Finance Act 1961 with the provisions amending them. Royal Assent: 22.2.79. Ch 8, ISBN 0 10 540879 4, HMSO, 25p.

Films Act 1979. Makes an amendment to the Films Act 1960. Royal Assent: 22.2.79. Ch 9, ISBN 0 10 540979 0, HMSO, 10p.

**Hydrocarbon Oil Duties Act 1979.* Consolidates laws relating to excise duties on hydrocarbon oil, petrol substitutes, power methylated spirits and road fuel gas. Royal Assent: 22.2.79. Ch 5, ISBN 0 10 540579 5, HMSO, 70p.

**Matches and Mechanical Lighters Duties Act 1979.* Consolidates laws relating to excise duties on matches and mechanical lighters. Royal Assent: 22.2.79. Ch 6, ISBN 0 10 540679 1, HMSO, 30p.

**Pensioners Payments Act 1978.* Provides for lump sum payments to pensioners. Royal Assent: 23.11.78. Ch 58, ISBN 0 10 545878 3, HMSO, 10p.

**Price Commission (Amendment) Act 1979.* Limits the application of Section 9 of the Price Commission Act 1977. Royal Assent: 12.2.79. Ch 1, ISBN 0 10 540179 X, HMSO, 20p.

**Tobacco Products Duty Act 1979.* Consolidates laws relating to excise duty on tobacco products. Royal Assent: 22.2.79. Ch 7, ISBN 0 10 540779 8, HMSO, 30p.

The Crown Agents

A Bill giving the Crown Agents a recognised legal status as a statutory corporation responsible to the Minister of Overseas Development was given a second reading, with the support of the Official Opposition, in the House of Commons on 8 February.[1] The Bill protects the present confidential relationship between the Crown Agents and their clients.

[1] *Hansard*, cols 585-623.

Background

Established in 1833 to raise loans and procure supplies for colonial governments, the Crown Agents for Oversea Governments and Administrations today provide financial, professional and commercial services for governments and public authorities throughout the world. Services include money management and investment, procurement, engineering services, recruitment, services in connection with the production of stamps and currency, and project management.

In 1976 a White Paper set out the intentions of the British Government concerning the future of the Crown Agents (see pp 219-20, 1976). This action followed reserve and liquidity difficulties experienced by the Crown Agents as a result of the decline in the market value of their own-account investments in property and secondary banking. These problems were investigated by a committee of inquiry which reported in 1977 (see pp 4-6, 1978).

The Bill

Under the Bill the Minister of Overseas Development will appoint the members of the Crown Agents who will retain their function of carrying out commercial activities on behalf of governments and public sector bodies in Britain and overseas. In addition the Bill creates the Crown Agents Holding and Realisation Board to manage a withdrawal from past own-account activities in the property and secondary banking sector; once the assets of that business have been realised on the best possible terms, the Board will be wound up.

Introducing the Bill, the Minister for Overseas Development, Mrs Judith Hart, said that the Crown Agents were being given a recognised legal status and a financial status similar to that of other public sector bodies in that they would be required to make a reasonable return on the public resources invested in them. She emphasised that scrupulous care had been taken to protect the confidential relationship between the Crown Agents and their clients (principals) and stated that the Minister would not intervene in day-to-day operations. It would not be right for the British Government 'to be involved in the arrangements for procurement or money management carried out by the Crown Agents at the instructions of, and on behalf of, an overseas principal . . .'.

Mrs Hart pointed out that the Bill did not define once and for all the Crown Agents' activities on behalf of their clients, and would allow an extension of their activities subject to parliamentary approval. It was most important, she added, that 'any activities that we might envisage in the future for the Crown Agents . . . should be concerned essentially with development'.

Turning to the question of the Crown Agents' own-account activities, Mrs Hart said that the Bill contained specific and considerable powers for the Minister to define what the Crown Agents could or could not do in their own right as distinct from acting on behalf of their clients. These powers

embodied practices that had been willingly accepted by the Crown Agents since 1974 without legislative backing.

Opposition Support

Speaking for the Official Opposition, Mr Richard Luce stated that it would give full support to the principle behind the Bill on the grounds that 'the status and the function of the Crown Agents should be clearly defined for all to see, that the Crown Agents should have proper statutory authority, and that they should be fully accountable for their activities'.

[For further information, see COI short note, *The Crown Agents,* SN 5958/77.]

Shorter Notes

HOUSE OF COMMONS PROCEDURE

At the end of a House of Commons debate on procedure, the Government announced that the House would be given an opportunity to vote on proposed reforms.

On 19 and 20 February the House of Commons held a two-day debate[1] on the report of the Select Committee on Procedure (see pp 339-40, 1978).[2] The report proposed, among other things, that a system of 'Public Bill Committees' be established, to which most Bills would be committed, and also that the present system of select committees be largely replaced by a new system of 12 committees based on the subject areas of government departments, as a means of scrutinising more effectively the activities of the executive.

At the conclusion of the debate, during which the majority of speakers favoured reform in some measure, the Leader of the House, Mr Michael Foot, acknowledged that there was a widespread desire in the House to reach an early decision on reform and announced that there would be discussions on the best way to proceed.

[1] *Hansard,* 19.2.79, cols 44-213; 20.2.79, cols 276-386.

[2] *First Report from the Select Committee on Procedure,* Session 1977-78. HMSO, £3·25. ISBN 0 10 297878 6.

Royal Tour of Eastern Arabia

The Queen, with the Duke of Edinburgh, made a tour of six countries in Eastern Arabia from 12 February to 2 March, visiting Kuwait, Bahrain, Saudi Arabia, Qatar, the United Arab Emirates and Oman. The royal party was accompanied by the Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, for the first part of the tour, and Mr Frank Judd, Minister of State at the Foreign and Commonwealth Office, for the second.

Speech in Saudi Arabia

In a speech delivered at the University of Petroleum and Minerals at Dhahran in Saudi Arabia on 19 February, the Queen said that her visit symbolised 'the transformation of [Britain's] previous relationship with Saudi Arabia and all the Gulf countries into a new understanding based on mutual respect and common interests'. Referring to the aim of the countries in the region to benefit from the modern technological age while continuing to maintain their own traditional values, the Queen said 'it is not easy to hold the balance between progress and stability, but I believe that we share with you the desire to retain our heritage while accepting and indeed welcoming new ways of bringing prosperity and well-being to our countrymen'.

The Queen said that she saw Saudi Arabia playing an important and constructive role in regional and world affairs. The whole world had admired and respected Saudi statesmanship during the recent difficult years, and 'Britain [had] reason to be grateful for Saudi Arabia's moderating influence . . . in both the economic and political fields'.

Economic Background

The countries on the Queen's tour occupy an increasingly important place in Britain's overseas trade. Since 1973 their share of British visible exports has increased from 1·7 per cent to 5·1 per cent, which in 1978 represented some £1,900 million worth of goods. With Britain's reduced requirements for imported oil (see pp 402-4, 1978), British trade with these countries is now approximately in balance (see table).

The main categories of British exports are machinery and transport equipment, manufactured goods, chemicals and related products and food and live animals. Considerable trade has followed major contracts won by British companies for infrastructure and development projects. Notable examples include, in Saudi Arabia, an agreement signed by Lancer Boss for the standardisation of fork lift equipment at the Red Sea ports which is expected to be worth up to £50 million in the next five years; and orders won by Storno Ltd valued at £2·7 million to supply Saudi Arabian government departments with a wide range of radio communications equipment. In Kuwait, Shellabear Price Contractors division of UK Biwater has won a £30 million contract to build seven drinking water reservoirs in Kuwait City. In Bahrain, Cable and Wireless has signed contracts worth more than £4 million for a second satellite ground station; and Marconi (UK) is supplying the ground communications and power equipment to the value of £1·7 million. (For details of the earnings in 1977-78 of the British construction industry and its related professions and suppliers in the Middle East and other regions, see pp 404-7, 1978.)

Britain also provides a certain amount of development assistance to Bahrain, Oman, Saudi Arabia and the United Arab Emirates, mainly in the form of technical co-operation. This consists of the provision of expertise not available locally and of training courses in Britain for local personnel, together with some consultancy work. This assistance totalled £790,000 in 1977, of which some £500,000 went to Bahrain and £250,000 to Oman.

Britain's Trade with Eastern Arabia 1978

£ million

	Exports	Imports
Bahrain	120	34
Kuwait	332	621·5
Oman	126	42
Qatar	93	33
Saudi Arabia	786	870·5
United Arab Emirates	435	270
Total	1,892	1,871

Defence Policy

Britain's commitment to the North Atlantic Treaty Organisation (NATO), which celebrates its thirtieth anniversary in 1979, and its willingness to play a full part in developing

co-operation within the Alliance, were emphasised in the 1979 Defence White Paper[1] which was published in February.

Thirty Years of NATO

The White Paper emphasises that the Alliance has been remarkable throughout its existence both for its close and cohesive character and for its success in providing security for all its members. Its twin aims are defence and *détente*. Accordingly, in recent years it has placed increased emphasis upon complementing the improvement of its defensive capability with efforts to establish a more stable international relationship through arms control and disarmament agreements. These efforts to reduce East-West tension, however, can only be successfully pursued on the basis of an adequate defensive posture. It was in the context of this complementary approach that the Alliance endorsed in 1978 the Long-term Defence Programme (see p 251, 1978) which represents a firm but moderate response to the continuing military build-up of the Warsaw Pact.

Britain devotes 'the overwhelming proportion of its defence effort' to the Alliance, and is making a constructive response to the Long-term Defence Programme.

Détente and Disarmament

During 1978 the Government continued to strive for agreement on practical and verifiable measures of arms control and disarmament and made a distinctive contribution to the United Nations Special Session on Disarmament (see pp 286-8, 1978). In the talks on Mutual and Balanced Force Reductions in central Europe (see p 26), the White Paper notes that, despite some progress, the lack of agreement on data regarding the strengths of the Warsaw Pact forces remains the greatest obstacle to an agreement. The Allied position is based on the principle that the outcome should be one of approximate parity between the two sides in the area of reductions in the form of a common collective ceiling on ground and air power. This would require larger reductions by the Warsaw Pact, since it has a greater number of men in the area. The NATO members involved in the talks have offered to raise them to Foreign Minister level once substantial progress has been achieved, believing that this would contribute effectively to the early conclusion of a mutually satisfactory agreement.

Steady progress has been made in the negotiations between Britain, the United States and the Soviet Union on a comprehensive nuclear test ban, and it is hoped that agreement can be reached very soon. Britain also fully supports the efforts being made to reach agreement in the Strategic Arms Limitation Talks (see p 25) and has throughout been kept informed by the United States on the progress of the negotiations. The agreement, it is hoped, will enhance stability by setting firm and wide-ranging constraints, both quantitative and qualitative, on the strategic nuclear armouries of the two powers.

Britain and its NATO allies continue to implement all the measures agreed at the Conference on Security and Co-operation in Europe, reaffirming their commitment to do so at the Belgrade follow-up meeting in March 1978 (see pp 115-17, 1978). Britain is also participating actively in other arms control discussions, including preparations for the 1979 United Nations conference on the prohibition, or restriction on the use, of particular conventional weapons which may cause unnecessary suffering or have indiscriminate effects. In its capacity as a depository power for the 1968 Treaty on the Non-Proliferation of Nuclear Weapons and the 1971 Biological Weapons Convention, Britain launched resolutions at the 1978 UN General Assembly setting preparations in hand for their review conferences in 1980.

Recalling the recent expansion of Britain's relations with China (see pp 430-1, 1978, and p 25), the White Paper says that Britain will continue to foster these relations which it sees 'as an important element of its pursuit of international stability'. It also points out, however, that Britain does not wish to develop relations with one state at the expense of those with another; and that relations with the Soviet Union remain central to the development of *détente*.

Defence and Deterrence

The White Paper explains that the balanced modernisation and improvement of the Alliance forces are designed to maintain the credibility of the deterrent strategy of flexible response. This calls for the ability to meet aggression in any form and at any level in a way appropriate to the level of force used, and to demonstrate to any aggressor that the risks from aggression far outweigh any prospect of gaining an advantage. NATO therefore requires a wide range of forces embracing conventional units, a theatre nuclear capability and strategic nuclear forces. These must be both credible in themselves and sufficiently closely linked to convince an aggressor that one level of capability could be overcome only at the expense of incurring a response from the next in a process which would continue, if necessary, up to the strategic level.

Warsaw Pact Capability

The growth in quantity and the continued qualitative improvements have extended the Soviet forces' capability 'well beyond what can be considered necessary for purely defensive purposes'. In this context, the White Paper points out that in the Eastern Atlantic the number of the Soviet Union's nuclear-powered submarines has increased by 143 per cent since 1968, while that of its missile armed cruisers and destroyers has grown by 233 per cent. In the same period, the number of Soviet main battle tanks in Central Europe has increased by 31 per cent, artillery by 38 per cent, armoured personnel carriers by 83 per cent and fixed-wing tactical aircraft by 20 per cent. As a result, the balance of forces in these theatres distinctly favours the Warsaw Pact: in the Eastern Atlantic by a ratio of 1·3 to 1 in surface ships and 1·5 to 1 in submarines; and in Central Europe by 1·2 to 1 in manpower, 2·8 to 1 in main battle tanks, 2·7 to 1 in artillery and 2·2 to 1 in fixed-wing tactical aircraft.

Despite the considerable drain on resources which these forces and their maintenance constitutes, there

[1] *Statement on the Defence Estimates 1979*. Cmnd 7474. HMSO. £2. ISBN 0 10 174740 3.

is no sign that the Soviet Government intends to reduce military expenditure and it has asked its Warsaw Pact allies to increase theirs. It is estimated that Soviet defence expenditure accounts for between 11 and 13 per cent of gross national product; that it rose by about 4 per cent annually between 1973 and 1977; and that it is still rising, although rather more slowly. A high proportion, now well over a third, is devoted to the procurement of new weapons, and over a fifth is spent on research and development of high technology weapon systems. As a result, several new advanced weapons systems have been introduced over the past five years.

NATO Defence Effort

The White Paper recalls that a NATO study of long-term trends in East-West relations during the 1980s (see p 249, 1978) concluded that, in general, the foreign and other policies of the Soviet Union were unlikely to undergo any fundamental change. While it would continue to be interested in improving its relations with the West in certain areas, it could also be expected to attach high priority to enhancing its military strength across the whole range of capabilities, and to devote massive resources to this. Against this background, the study confirmed the continuing validity of the Alliance's complementary goals of *détente* and security.

The Long-term Defence Programme, adopted with a view to strengthening NATO's defence posture in the face of the continuing Warsaw Pact build up, comprises a wide range of measures designed to help it adapt to the challenges of the 1980s. These include measures to increase member states' readiness to withstand and deter various levels of aggression; to accelerate the movement of reinforcements from North America to Britain and then to forward areas; to provide proper equipment for, and facilitate the rapid deployment of, reserves; to improve maritime command and control systems and fleet protection measures; for the further development of missile air defence systems; to increase co-operation in equipment procurement; and for the maintenance and modernisation of theatre nuclear forces. The British Government believes that the Alliance's defence needs can most effectively be met through co-operative action; it is taking positive steps towards implementing the programme and will play a full role in those measures requiring international co-operation.

Britain is also working in a number of important areas with a view to establishing co-operative arrangements for the next generation of weapon systems. It gives full support to the work of the independent European Programme Group, which is the main focus of co-operative equipment work in Europe and which has identified a number of potential programmes – including one for a new tactical combat aircraft – in which it believes that collective action by European countries could benefit the Alliance.

Britain's Contribution to NATO

The White Paper emphasises that Britain commits the great majority of its forces to NATO, that it is the only European country to provide forces to each of the three elements of the 'triad' of forces (strategic nuclear, theatre nuclear and conventional), and one of only two to provide forces for all three major NATO commands (Atlantic, European and Channel). Britain continues to concentrate its efforts in those areas where its resources will most effectively aid collective defence: Britain and its immediate approaches; the Eastern Atlantic, where the Royal Navy contributes the main elements – over 100 major warships of some 16 classes – of the readily available maritime forces; the Central Region of Europe, where Britain maintains the British Army of the Rhine whose 55,000 men are equipped with balanced forces including over 600 Chieftain tanks and over 2,000 other armoured fighting vehicles, together with 12 squadrons of the Royal Air Force equipped for strike/attack, reconnaissance, air defence and helicopter support roles; and the NATO nuclear deterrent, for which Britain deploys a significant part of the theatre nuclear forces and the Polaris strategic nuclear force. Britain also makes an important contribution to NATO's European Command's strategic reserve and other specialist reinforcement forces.

Commitments Outside NATO

'The armed forces', the White Paper points out, 'also play their part in support of the efforts of the Government to promote international security.' Britain provides support for existing United Nations forces in Cyprus and the Lebanon and, in addition to these, has recently offered to make available, subject to national commitments and exigencies, an infantry battalion group or Royal Marines battalion group for up to six months. This force would be available at seven days' notice and Britain would airlift it and its equipment to the area of operations.

Other non-NATO commitments include those which involve the security of Britain's dependent territories. Units of the Army and the Royal Air Force are stationed in Belize and a frigate remains in the area; and there is a Royal Marines detachment in the Falkland Islands. In the Mediterranean, garrisons are maintained in Gibraltar and the Sovereign Base Areas of Cyprus, although the withdrawal of British forces from Malta will be completed by the end of March 1979. Units of all three services, but particularly the Army, contribute to the garrison in Hong Kong, and a Gurkha battalion remains in Brunei.

Operations in Northern Ireland

Describing the security position in Northern Ireland, the White Paper states that the armed forces have continued to support the Royal Ulster Constabulary in the maintenance of law and order. Their main effort has been directed towards bringing terrorists to justice through the ordinary processes of law and order and to this end increased emphasis has been placed on intelligence gathering activities. The overall level of violence fell during the year, the number of deaths falling by over one-third and the number of injuries by almost one-half; the number of shooting incidents also declined. The number of bombing incidents, however, increased as a result of a renewed terrorist bombing campaign at the end of 1978. In 1978, some 850 people were charged with terrorist-type offences, including 139 with murder or attempted murder. The security forces found 400 firearms, over 43,500 rounds of ammunition and three and half tons of explosive.

Military Aid to the Civil Community

During 1978 Royal Navy and Royal Air Force helicopters participated in 1,390 search and rescue operations in Britain and saved 1,085 lives, often under extremely difficult and dangerous conditions. The services also helped in providing emergency relief to civilian communities endangered by severe flood and snow conditions in early 1978 and early 1979. Operations included the rebuilding of sea defences and the use of helicopters to transport individuals at risk and to ferry emergency supplies for people and animals cut off by snow. Considerable assistance was also provided to combat the effects of oil pollution following tanker accidents in the waters surrounding Britain.

Abroad, Royal Air Force transport aircraft assisted in the evacuation of casualties from Zaïre in May 1978, while disaster relief operations included help given to Sudan, Nepal and Bengal following floods in July, August and September 1978 respectively.

Defence Budget

The defence budget estimates for 1979-80 total £8,558 million, which is equivalent to just under 4·75 per cent of the estimated gross domestic product and represents an increase of 3 per cent in real terms over the budget for 1978-79. A further increase of 3 per cent is planned for 1980-81. A functional analysis of expenditure is contained in the table (see below).

The Defence Forces

Further sections of the White Paper provide information on the deployment and operations of Britain's defence forces, and give details of improvements and developments in their equipment and manpower over the past year. The combat forces consist of the nuclear strategic force, Royal Navy general-purpose forces, European theatre ground forces, other Army combat forces and Royal Air Force general-purpose forces. Expenditure on these forces, together with their military and civilian personnel strengths, is shown in the table (see below).

Equipment

Expenditure on equipment accounts for some 41 per cent of the defence budget, and is expected to amount to £3,493 million in 1979-80. Including associated personnel and other costs, total procurement expenditure is expected to reach £3,846 million. Of this, about 70 per cent (£2,686 million) will be spent on production (28 per cent on ships, ship equipment and weapons; 22 per cent on Army equipment and vehicles; and 40 per cent on aircraft, aircraft engines, aircraft equipment and weapons; and 10 per cent on general support), and the remainder on research and development.

In support of their commitments, all three services have extensive re-equipment plans. The first of the Royal Navy's new class of large anti-submarine cruisers, HMS *Invincible,* is expected to enter service in 1980, while a second has been launched and a third ordered. The eleventh nuclear powered fleet submarine is due to enter service in 1979 and three more are under construction. Other warship classes under development or entering service include Type 42 guided-missile destroyers, Type 22 anti-submarine frigates – the first two of which are due to enter service in 1979-80 – and Hunt class mine counter-measures vessels. These ship programmes are complemented by a range of new equipment and weapons including the Sea Harrier aircraft, the Lynx helicopter, and the Sea Dart and Sea Wolf guided missile systems.

Army programmes include the development of a new British main battle tank to replace the Chieftain in the late 1980s. Anti-armour capability is being enhanced by the further development of Milan and a helicopter-borne system, the American TOW, is being procured. The FH 70 towed 155-mm howitzer will enter service in 1979 and a prototype of the self-propelled version, SP 70, has begun trials. Work has begun on improvements to the Rapier and Blowpipe anti-aircraft missile systems which are already in service.

Plans are proceeding to introduce the multi-role combat aircraft Tornado in place of the Vulcan and

Functional Analysis of Expenditure and Manpower 1979-80

	Expenditure £ million	Military Personnel*	Civilian Personnel*
Nuclear Strategic Force	126	2,500	4,400
Navy General Purpose Combat Forces	1,131	32,200	8,200
European Theatre Ground Forces	1,496	98,400	27,700
Other Army Combat Forces	81	14,400	6,800
Air Force General Purpose Forces	1,462	53,800	11,400
Reserve and Auxiliary Formations	148	2,500	3,500
Research and Development	1,151	1,300	33,200
Training	777	76,200	21,000
Production, Repair and Associated Facilities in the United Kingdom	590	9,700	87,200
War and Contingency Stocks	160	—	—
Other Support Functions	1,481	39,000	59,900
Miscellaneous Expenditure and Receipts	−45†	—	—
Total	8,558	330,000	263,300

*These are average strengths and include locally enlisted personnel, but exclude some 23,500 Ministry of Defence civilians employed in the Royal Ordnance Factories, and some 26,000 Department of the Environment staff employed on defence work.

†Includes UK-German offset receipts.

the Buccaneer in the overland and maritime strike/attack roles, the Canberras in the reconnaissance role and the Phantoms and Lightnings of the present air defence squadrons. The GR 1 strike/attack version will enter service in 1980, while the first flight of the F2 air defence variant is expected to take place in 1979. In the 1980s the Shackleton airborne early warning aircraft will be replaced by a variant of the Nimrod which will form part of the integrated NATO airborne early warning force approved by the Defence Planning Committee in December 1978 (see p 7). Skyflash medium-range air-to-air missiles are entering service with the Royal Air Force, and the Sidewinder AIM 9L, an improved short-range air-to-air missile, will also be procured.

Manpower

Britain's armed forces totalled approximately 317,000 personnel at the beginning of 1979, of whom 73,500 were in the Royal Navy and Royal Marines, 158,100 in the Army and 85,400 in the Royal Air Force. A functional analysis of personnel, including civilians employed by the Ministry of Defence, is given in the table. Reserve forces totalled 257,700, of whom 184,600 were regular reserves and 73,500 were voluntary reserves and auxiliary forces.

Population and Development

Britain's readiness to help developing countries in their population activities and to support multilateral organisations operating in this field was reaffirmed by the Lord Privy Seal, Lord Peart, on 21 February.

Lord Peart was speaking in the House of Lords (*Hansard, HL,* cols 1819-32 and 1839-70) in a debate on population and development, which looked forward to the first International Parliamentary Conference on Population and Development to be held in Colombo, Sri Lanka, in August. The British Parliamentary Group on Population and Development was established in February 1978.

Lord Privy Seal's Speech

Britain, Lord Peart told the House, was one of the first countries actively to demonstrate a concern with population problems in the operation of its aid programme (a Population Bureau was set up within the Ministry of Overseas Development in 1968 – see p 55), and the priority which the Government attaches to population assistance was stated in the 1975 White Paper on aid policy (*More Help for the Poorest,* see pp 446-8, 1975). Britain had always been aware of the sensitive nature of the subject in many areas of the world, he continued, and in its bilateral (government-to-government) programme, had been careful to ensure that its support for such programmes had been responsive to local demands. It also recognised that recipient governments often preferred to seek aid through specialised agencies rather than from individual donors. In the bilateral field, therefore, Britain provided assistance only when asked to do so. None the less, such assistance was expanding, as was Britain's support for multilateral bodies engaged in population assistance, particularly the United Nations Fund for Population Activities (UNFPA), which celebrates its tenth anniversary in 1979, and the voluntary International Planned Parenthood Federation (IPPF). In their different spheres, Lord Peart said, these two organisations had built up a reputation of efficiency and practical response to the needs of governments and non-government organisations which was admired throughout the world, and Britain's support for them was of long standing.

Much of the help provided by Britain, Lord Peart said, was aimed at encouraging the spread of knowledge about family planning and the provision of family planning services as a contribution towards a reduction in population levels and growth. The problem of rapidly rising populations, however, was not one which would be solved simply by the provision of family planning services. Couples must actually want to reduce family size if progress was to be made in that direction, and to facilitate this population and family planning assistance had to go hand in hand with broader development programmes which aimed to improve the total quality of life for ordinary people, particularly the poor, and help them to plan their lives as a whole. The Colombo Conference, Lord Peart continued, was expected to discuss the urgent need for population policies and for their integration with national economic and social policies. It should also bear in mind that the final results of any government's policies depended on the co-operation and conviction of individual families. Part of the conference, therefore, should deal specifically with ways of producing maximum community participation in the family planning programmes and at the same time link the desirability of smaller families to the ultimate benefits from economic and social growth.

British Aid

The social and economic development of any country both affects and is affected by its population. A high rate of population growth in a developing country with limited resources contributes to famine, malnutrition, environmental pollution, poor health, illiteracy, unemployment and under-employment. These conditions often frustrate the efforts of developing countries to improve the quality of life of their people. However, the process of social and economic development can, itself, contribute towards solving population problems by improving nutrition, health and education levels, raising the status of women and reducing infant mortality rates.

In its aid programme Britain places a high priority on the needs of countries which have the lowest incomes. In this context, it supports population activities by encouraging and assisting governments to understand more fully the relationship of population and population problems to national development. Aid for such activities has increased considerably over recent years, rising from £1.6 million in 1973-74 to about £10 million in 1978-79 when it comprised about 2 per cent of Britain's aid programme. Most of this is channelled through multilateral programmes, mainly in the form of contributions to UNFPA (£4 million in 1978-79) and the IPPF (£2 million). Britain also supports the World

Health Organisation's special programme of research into human production, its contribution having been raised in 1978-79 from £140,000 to £1.5 million, and the World Bank's population projects in Bangladesh (with a British commitment of £1.4 million over five years from 1975) and Egypt (with a commitment of £4.3 million). It is also contributing to the World Fertility Survey in Kenya and Sudan.

Bilateral assistance, which is provided in response to requests from individual governments, may take the form of advisory visits, longer-term assignments by operational staff, advice and help with censuses and demographic surveys, the provision of training facilities in Britain and overseas, assistance with sociological and anthropological surveys, support for research projects and the provision of equipment and supplies. Recent examples include a £3 million grant to India to improve 1,000 primary health centres in rural areas for family planning and maternal and child health services; the provision of mobile cinema vans to help with family planning/family health education in Honduras, Costa Rica and Libya; the assignment of medical officers specialising in maternal and child health/family planning to Saint Lucia and the Seychelles, and of a health educator to the New Hebrides; the supply of census advisers to Fiji, Sri Lanka and Solomon Islands; and the provision of contraceptives and Land-Rovers for Pakistan's national family planning programme and other equipment for those in Ghana and Mauritius.

Within Britain the Ministry of Overseas Development (ODM) supports the Centre for Population Studies at the London School of Hygiene and Tropical Medicine as a British base for training, consultancy and research in population science, and the David Owen Centre for Population Growth Studies at University College, Cardiff, which provides an interdisciplinary course in population studies.

The Population Bureau, a small advisory unit within the ODM, provides information and advice on population aid projects and broad population matters within the ODM and to developing country governments which request such assistance. Its staff undertake short-term technical co-operation assignments in the fields of family planning, family life education, censuses and surveys, training schemes and socio-economic studies. The Bureau also calls on the services of outside consultants working in universities and other organisations, and acts as a reference centre for specialist work being undertaken in the population field.

Shorter Notes

IRAN

In a statement made to the House of Commons on 20 February, the British Government's recognition of the new government in Iran (see p 26, col 1, footnote) was reaffirmed by the Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen (*Hansard*, cols 257-72). Dr Owen stressed that the British Government wanted good and close relations with the new administration, led by Mr Mehdi Bazargan, and that it respected the right of the Iranian people to determine their own future. In reply to a question concerning the Central Treaty Organisation (CENTO, see pp 151-2, 1978), Dr Owen said that the future of CENTO would largely depend on the views of Iran, Pakistan and Turkey, and Britain would await their decisions. (On 12 March Iran and Pakistan announced their intention to withdraw from CENTO. A similar announcement was made by Turkey on 15 March.)

Government-Trades Union Congress Agreement; Comparability Commission

A joint statement[1] has been agreed by the Government and the Trades Union Congress (TUC) on major issues of industrial relations. The establishment of a Standing Commission on pay comparability – following one of the proposals put forward in the statement – was announced by the Prime Minister, Mr James Callaghan, on 7 March. The Commission will compare the pay in some areas of the public services with that for comparable work and effort in other occupations.

GOVERNMENT-TUC AGREEMENT

The joint statement agreed between the Government and the TUC follows a period of industrial disruption associated with the Government's guidelines on pay (see pp 30-2). The text of the statement, published on 14 February, is given below.

1 *The nation is facing immense problems. Problems of inflation. Problems of technology. Problems of unemployment. Indeed, fundamental problems about how our society operates. We do not pretend there are easy answers. We challenge those who say there are.*

2 *But some things are clear. There is no answer in confrontation. Solutions to our problems have to be found in agreement. But agreement will only be possible if our people all recognise that we are all part of a community of interest. Britain, the country with the longest industrial and trade union tradition, can only operate successfully if there is a general and genuine consensus among our people.*

3 *1978 was a year of substantial economic recovery. The rate of inflation was reduced to below 8 per cent. Unemployment fell – despite the increase in the working population – though the level as it stands is still far too high. Investment increased month by month. Allowing for tax reductions and benefit increases, the average of all incomes rose in real terms by almost 9 per cent. Consumers' expenditure rose by over 6 per cent in real terms.*

[1] *The Economy, the Government and Trade Union Responsibilities. Joint Statement by the TUC and the Government.* HMSO, 40p. ISBN 0 11 360862 4.

4 *The partnership between the Government and the trade union movement played a substantial part in making this success possible. If the achievements are to be sustained, the TUC and the Government, each having its own responsibilities, must continue to work in close and constructive partnership. Such a partnership is essential to deal with the inter-related problems of international competitiveness, of the effective use of capital, of incomes, profits, prices, productivity, output, growth, social equality, public expenditure and employment – problems which are central to our economic future.*

Improving Industrial Relations

5 *The programme of reform of industrial relations agreed with the TUC and carried through by the Government since 1974 has brought continuing benefits to working people in this country. This includes new basic rights for workers and the establishment of the Advisory Conciliation and Arbitration Service [ACAS], on which both the TUC and the Confederation of British Industry [CBI] are represented, to help in disputes and to give advice to employers and unions. Further improvements in this direction can still be made.*

6 *Over the same period the scope of collective bargaining has widened. There have been improvements in industrial relations procedures. Trade union membership has grown and spans more occupations. The TUC has promoted mergers between unions. It has strengthened inter-union procedures and has considerably extended its role in resolving disputes. As a result, 'who does what' disputes have been virtually eliminated.*

7 *Experience between 1971 and 1974 showed that legalistic intervention in the conduct of industrial relations is harmful. We believe that improvements can best be brought about by agreed measures with the support of workers, unions and managements.*

8 *The TUC has a key role in improving industrial relations and promoting good practice among unions and employers. There has been a big expansion in TUC educational programmes for the training of trade union representatives. TUC industrial committees have been set up through which unions jointly examine common problems, including industrial performance. Advice is also given to affiliated unions on a wide range of social, economic and health and safety matters.*

9 *The TUC has now decided to issue advice and guidance to affiliated unions on three broad areas . . .*

[these guides, appended to the document, are summarised below].

10 *The Guide on Negotiating and Disputes Procedures stresses the responsibility of unions and management to agree relevant and practical negotiating and disputes procedures and commends the value of conciliation and arbitration, particularly in essential industries and services. It emphasises that it is the responsibility of unions and their members and of management to observe agreements. Both sides should refrain from taking action in contravention of agreements, and where unofficial action has taken place unions should take energetic steps to get a return to normal work. And no official strike should take place on an inter-union issue before the TUC has been able to examine that issue. The TUC's Disputes Principles and Procedures provide for conciliation and adjudication by the TUC in cases where unions cannot agree.*

11 *In the guide on the Conduct of Industrial Disputes, the TUC states that the right to strike is a fundamental one for trade unions and working people, and should be exercised responsibly. Strike action should only be taken in the last resort and after careful consideration of all the factors involved. Unions need to have regard to the viability of the employing establishment, to the effect on employment and earnings, and on other workers and the community.*

12 *The TUC emphasises the vital necessity of maintaining supplies and services essential to the health and safety of the community; of maintaining plant and equipment, and sustaining livestock during industrial disputes.*

13 *There is also a strong recommendation that union rules should provide for strike ballots to be held, at the discretion of the union.*

14 *Detailed advice is given on picketing and how it should be conducted, including advice on the siting, identification and union control of pickets.*

15 *The law has traditionally been, and remains, neutral on the closed shop. The TUC Guide on Trade Union Organisation and the Closed Shop takes as its starting point the fact that the basis of trade unionism is organisation, and 100 per cent organisation is therefore its logical objective. Many unions believe, and many managements would agree, that the closed shop can have advantages in promoting stable industrial relations. The closed shop is established practice in many important areas of industry and generally operates smoothly. However, there are aspects of the application of the closed shop principle that have caused concern, and the TUC Guide contains advice to unions on the flexible operation of closed shop agreements. In particular, unions are advised to bear firmly in mind that the closed shop need not be a rigid arrangement; agreements should provide for conscientious objectors and can provide for certain categories of workers to be excluded from the closed shop provisions.*

Industrial and Technological Change

16 *We recognise and share the anxieties about employment prospects in the next few years. It is far easier to identify areas where jobs will be lost than those where new job opportunities will be created. However, we firmly believe in the adaptability and skills of our people which will be a principal factor in determining our economic fortunes. The process of adaptation and the matching of skills to the prospective changes in world demand must go ahead with all speed to create the new jobs needed. Technological change must benefit the whole of society. Among the benefits will be shorter working hours, improved conditions of work and better education. But those directly affected by technological change must be assured that they will be among the beneficiaries.*

17 *The trade union Movement has a key role to play, through the Manpower Services Commission and the Industrial Training Boards, as well as at factory level, in planning to ensure that workers, particularly young people and school leavers, are trained to have the skills matched to the needs of technological developments.*

18 *Industrial redevelopment and new technology reinforce the case for greater industrial democracy – for each enterprise to accept greater accountability to its workforce as well as to society as a whole. We welcome the active interest of the trade union Movement as expressed at the TUC in the need for urgent examination of the processes of technological change and also for early legislation on industrial democracy providing for consultation at all levels in the enterprise and for the right to representation in due course at Board level. We also recognise the importance of workers' representatives in the various national subsidiaries of a trans-national corporation being able jointly to meet the corporation at global level to discuss its plans, and collectively to advance their views and protect their interests.*

19 *One fundamental factor is the need to increase productivity – of both capital and labour. Our international trade performance depends on producing the right goods at the right price at the right time. We need to monitor progress against the target levels for containing import penetration and for productivity set by the National Economic Development Council Sector Working Parties, and take remedial action where necessary. Planning Agreements must play a key role in ensuring that problems such as import substitution and the problem of re-equipment of British industry are tackled at the level of the individual firm.*

20 *Another factor in which there is equally a public interest is the financing of industry, the use of internally generated funds, including profits, and external finance from both public and private sources. The prospective developments in technology call for closer relationships between the great savings institutions, such as pension funds and insurance companies which collectively account for more than half of the equity in the Stock Exchange, and the industrial strategy. Moreover, the initiatives of the Industry Act and the National Enterprise Board are increasingly blurring the distinction between the public and private sectors. We therefore need to find ways of relating the supply of funds for investment to the undoubted needs of British industry and the wider needs of the community.*

21 *Reliance on market forces alone cannot enable us to meet the challenge presented by the need for rapid industrial regeneration, or to take full advantage of North Sea oil and micro-electronic technology.*

The Government, business and financial institutions, and the trade union Movement, by their actions help to decide how the economy performs. This has fundamental implications for the proper handling of the relationship between these great interests, and in particular there must be a close working understanding between the trade union Movement, through the TUC, and the Government. It also imposes on the TUC, with its broad and undisputed representative capacity, the need to accept that its expanding role carries with it wider responsibilities.

22 *We have, therefore, in renewed discussions, set out our objectives together as a basis on which, by co-operation within industry and between the Government and the trade union Movement, we can maintain our economic recovery.*

An Agreed Economic Assessment

23 *The British people could not be content with living standards which were widely out of line with those of the rest of Europe, and this means that we must aim at a rate of economic growth which is broadly the European average. But if we are to achieve this, we must match the average European performance on inflation, as well as growth.*

24 *An adequate rate of economic growth is also vital if we are to make progress in our social programme. The TUC-Labour Party Liaison Committee statement* Into the Eighties *outlined an ambitious programme for improvements in pension arrangements, in the child benefit scheme, the health service, help for one-parent families, the under-fives, the 16-19 age group, and many other areas of social policy. It is doubtful whether the British people would be prepared to pay the tax rates which would be necessary to finance such programmes if the economy were growing only very slowly.*

25 *Some rising prices undoubtedly stem from causes which are well outside the area of pay bargaining or indeed the control of business or Government. For example, world commodity prices, including the price of oil, are not within our control – although as an oil exporter we are now less affected by that factor in the terms of trade than are our European competitors. The Government is giving high priority to the radical transformation of the European Economic Community (EEC) Budget and to achieving an equitable distribution of EEC resources, including in particular the Common Agricultural Policy. We attach great importance to early progress in this field.*

26 *But major factors – including productivity, investment, industrial structure and industrial relations – are within our control. The best way of keeping price rises down is by increasing output and productivity growth, and by regenerating and re-equipping our manufacturing base. Equally, however, there can be no doubt that a general rise in the level of money incomes which significantly outstripped the rate of output growth would be incompatible with achieving our objective of a high wage, high productivity, low unit cost economy.*

27 *Therefore, given the facts of our international position, we must set ourselves the task of aligning our inflation rate to that of our main overseas competitors, and that means getting our annual inflation rate, within three years from now, down below 5 per cent and holding it there. There is no precise arithmetical relationship between, for example, getting price rises down to 5 per cent, the economy growing at 3 per cent, and a particular level of pay settlements. We believe, therefore, that each year, before Easter, there should be a national assessment by Government and both sides of industry of our economic prospects which would take all factors, and the relations between them, into account.*

28 *The TUC, which is as committed to reducing inflation as to any other of the policies adopted by Congress, recognises with the Government the dangers that could be caused by the escalation of pay settlements. That would not only quickly wipe out the benefit to those who have settled earlier in the round at modest figures: it is indeed to their detriment, and would take us back to the high levels of inflation from which we have painfully recovered. The trade union movement acknowledges there are problems in sectional collective bargaining between competitive groups in our society and not everyone can improve his living standards relative to someone else. Trade unionists should take account of the effect of their actions on others, and on their own best interests.*

29 *In certain areas there may be advantages in synchronisation of pay bargaining, although we doubt whether it would be practicable to introduce this overnight generally. But we do accept that there are dangers inherent in the concept of a 'going rate' for the year; this does not, in our view, form a proper part of real collective bargaining, which should have regard to the merits of the particular situation. The 'going rate' concept can be highly ambiguous and destabilising – it has the disadvantages from the trade union standpoint of a pay norm, coupled with the inflationary effect of successive groups building a higher 'going rate' on the basis of settlements previously made.*

30 *We believe that to meet the challenge set out in paragraph 27 negotiators within both private and public enterprises, including nationalised industries, should focus on the need to secure the maximum efficiency in the use of resources and the containment of unit costs, and that they should have regard to the impact of settlements on prices. There is a legitimate function for the Price Commission to examine all elements of proposed price increases, including raw material, labour and capital costs, without discrimination between the production and distribution stages; and employers should be pressed to give public commitments on prices as part of a collective agreement. We believe that the new prices legislation will materially help the Price Commission to restrain unjustified price increases.*

31 *The TUC has emphasised the importance of avoiding discrimination against workers in the public services, where there is the problem of accommodating the costs of increases within the resources available, without distorting the balance of employment within the public services and the levels of services provided. One practical aspect of this is the difficulty that arises for groups of workers in deciding how far to press their claim by industrial action where this could directly affect public health and safety.*

32 *It is no solution to propose the removal from such workers of their right to take industrial action in the last resort. Nevertheless, the Government and the TUC believe that means must be found for solving these problems. A promising approach would be for such groups to establish arrangements for negotiating pay and conditions which would provide them with the assurances that would make it unnecessary for them to resort to industrial action. The Government and the TUC General Council, through its appropriate committees, including its Nationalised Industries Committee and its recently established Public Services Committee, will as a matter of urgency identify those groups which might be covered by such agreements, and the form which they could best take.*

33 *We believe that the close relationship between levels of public expenditure, the level and quality of public service, the need for continuity in the provision of these services, and the manpower employed in these services and its remuneration are of such importance to the TUC and to the unions directly involved, and to the nation, that a different method of determining remuneration and conditions would be in the interests of the workers concerned as well as the wider community. The Government's recent statement on comparability studies is one opening in this direction.*

34 *Underlying many of the problems in the public sector are issues of relativities and comparability, responsibility and low pay. And the same issues exist in the private sector. They arise from comparisons between broadly similar jobs and between those with different levels of skill and responsibility. Many of these problems are resolved without serious difficulty in the normal processes of collective bargaining. There is no doubt, however, that they are more difficult to tackle in times of low economic growth, and there is evidence that in some respects they are becoming more intractable. Moreover, it has to be recognised that not everyone can improve his position relative to others at one and the same time: and attempts to do so can be both inflationary and self-defeating.*

35 *Claims for major changes in relativities raise far-reaching questions of the distribution of income and wealth. Issues can be dealt with by ad hoc inquiries and it may be that further such inquiries will be made from time to time. But a broader national consensus on the overall distribution of income is now necessary – and, indeed, a consensus through which the community as a whole can accept major changes in this area. For this purpose we agree that there should be urgent consultations, with full TUC participation and covering all relevant factors in this whole area, on the continuing arrangements which would be required.*

Action Now

36 *These objectives have been agreed between us as a guide for action over the next three years, and for action now.*

37 *The guides on negotiating and disputes procedures, on the conduct of strikes and picketing, and the maintenance of emergency services, bear directly on current problems. The TUC is, with the Government's full encouragement, issuing these at once and urging affiliated unions to act on them.*

38 *The agreement emphasises the need to keep the annual rate of inflation down, to improve productivity, and to avoid, where possible, settlements which would increase prices.*

39 *The Government has made it clear that the consequences of competitive and escalating pay claims and settlements could force it to adopt further fiscal and monetary measures which it would wish to avoid.*

40 *The Government and the TUC, together with its affiliated unions, will continue their discussions to work out in more detail the policies required to achieve an economy which will provide our people with real high incomes, jobs and leisure, and the just society to which we are pledged. Central to the achievement of all this is the need to defeat inflation. A target of getting inflation below 5 per cent within three years is a bold one, but we must take it as our aim. We ask unions to have regard to all these objectives from now on.*

Industrial Relations

The following is a summary of the three guides which formed an annex to the joint statement.

Negotiating and Disputes Procedures

The first guide is concerned with procedures for avoiding disputes. Affirming the responsibility of unions and management to agree relevant and practical negotiating and disputes procedures, it says that there is also a responsibility on unions and workers, as well as managements, to observe agreements and for both sides to refrain from taking action in contravention of those agreements, if industrial relations are to be conducted in an orderly fashion without interruptions. Some unofficial action may arise because of faulty communications within the union, and unions need to periodically review their internal machinery. Where unofficial action does take place unions should take energetic steps to get a return to normal working. 'There is a responsibility on affiliated unions to observe the *TUC's Disputes Principles and Procedures* which are designed to minimise disputes between unions and which provide for conciliation and adjudication and binding awards by the TUC where trade unions cannot agree. It is especially important that no official strike should take place on an inter-union issue before the TUC has been able to examine the issue.'

Pointing to the need for trade unions and employers to review their negotiating arrangements periodically, it proposes that, at the present time, such reviews should pay particular attention to the questions whether an industry-wide agreement is relevant to current circumstances; whether dispute procedures should terminate at establishment level or whether unresolved disputes can be usefully dealt with at industry level; and whether the procedures for collective bargaining and for handling disputes and grievances at establishment level are satisfactory. How best to answer these questions must be decided by those concerned in each case, the guide comments. Circumstances vary too much to allow a universal formula to be prepared. 'The objective in all industries and services should be to establish arrangements whereby matters of common interest

to employers and workpeople can be discussed and negotiated at the appropriate level.'

The guide specifies seven requirements for a satisfactory disputes procedure. This should be in a written form which can be easily understood by workers and management. It should specify the appropriate levels for raising and settling collective disputes on different issues and the manner in which an individual worker may raise a grievance but wherever possible every effort should be made to resolve disputes at the level at which they arise and, failing that, at a higher level within the establishment. It might specify time limits within which issues should normally be settled or taken on to the next stage of procedure, but in any case should make clear that all issues should be resolved as quickly as possible. It should indicate those issues for which the principle of the *status quo* applies, that is, the deferral of implementation of a managerial decision until either agreement has been reached or the negotiating procedure has been exhausted. It might include a stage requiring conciliation by an outside person or body, including ACAS or the TUC. It might provide for arbitration as a final stage in the procedure; such a provision might be particularly helpful if used to resolve disputes at local level on issues which are not regarded by the parties as appropriate to go beyond more than one external stage of procedure, or in the case of essential services and industries. Finally, if the *status quo* provision is incorporated, a disputes procedure should preclude industrial action by workers or management until all stages have been exhausted.

Conduct of Industrial Disputes

This guide provides advice to unions which may become engaged in industrial action including strikes and picketing.

The guide affirms that 'the right to strike and take other forms of industrial action is a fundamental one for trade unions and for working people. It provides a sanction to trade unions which compels employers to negotiate seriously on matters vital to the interests of trade union members.

'The exercise of this right is regarded by the General Council as a measure of last resort and one which should be used responsibly. Industrial action causes interruptions to production or to the provision of services. It has to be recognised that these can damage the ability of the employing establishment to provide subsequent growth in earnings and to maintain employment. More immediately, industrial action, particularly strikes, causes loss of earnings and a sharp drop in workers' living standards.' Moreover, regard needs to be paid to the effects of the action on other workers, unions generally and the whole community. These are not arguments against industrial action, the guide comments, 'but they do strongly indicate that decisions to instigate action or to support other trade unionists' action should be taken with care and with regard for other factors, not simply on an immediate issue about which there are strong feelings....

'If a union considers, after careful examination, that industrial action is necessary to achieve its bargaining objectives, it needs to give consideration to the form of action to be taken and that what they have in mind is fully supported by the members concerned.' There is a need for unions to have very clear procedures in this area and the General Council strongly recommends the following principles on strike procedures and strike ballots to unions.

Unions are advised to state clearly the strike procedures to be followed and which bodies have the authority to call or approve or terminate a strike.

They are advised to provide for ballots to be held where a strike is contemplated or during the course of a strike – the decision to hold such ballots being at the discretion of the appropriate body of the union; to specify the size of the majority required; to lay down a strictly defined procedure for the conduct of strike ballots, and sanctions for any breach of such procedure; and to set out machinery for dealing with any complaints arising from the conduct of the ballot.

The guide appreciates that 'generally unions already recognise the need to provide emergency or essential services and to maintain plant and equipment during industrial disputes, and the TUC considers that such action is vitally necessary. It will be a matter for each union or unions to consider the action that is necessary in the light of the circumstances of the dispute. But the General Council advise that, for the duration of an industrial dispute, the union(s) involved should, where necessary, make arrangements in advance and with due notice, in consultation and preferably by agreement with the employer, for the maintenance by their members of supplies and services essential to the health or safety of the community or otherwise required to avoid causing exceptional hardship or serious pollution.'

The guide goes on to give detailed advice on picketing. The purposes of picketing, it states, are 'to persuade other employees to join in the withdrawal of labour; to dissuade workers recruited by the employer during a strike from entering the strike-bound premises; or to establish check points to ensure that no strikers return prematurely. Picketing may also be aimed at deflecting supplies or custom from the employer in dispute. The decision to mount a picket is for the union in dispute. Unions should in general, and save in exceptional circumstances, confine picketing to premises of the parties to the dispute or the premises of suppliers and customers of those parties.

'The right of workers to demonstrate their dissatisfaction with an employer over the terms and conditions on offer is a fundamental one', the guide notes. Although there is no legal right to picket as such, 'it is lawful for persons acting in contemplation or furtherance of a trade dispute to picket at or near a workplace or any other place (except a person's home), provided they do no more than peacefully obtain or communicate information or peacefully persuade workers to abstain from work'. The right to picket is subject to five legal restrictions:

First, if pickets enter private property without permission and damage occurs, they are liable to be sued individually for trespass or collectively for conspiracy. Second, pickets may communicate or obtain information 'peacefully' but may not 'interfere' with persons entering or leaving premises. Interference includes unlawful obstruction of the highway or of other users of the highway. Third, it is unlawful for any person to use or threaten violence

to a person or his family or to injure his property or to deprive him of it. In addition interference with passage on the highway may constitute a 'nuisance' in the civil law. Fourth, pickets have no right to stop a vehicle against the driver's will. Lawful methods of persuasion are limited to 'oral or visual methods' and do not permit pickets to commit acts such as physical obstruction of a vehicle or person. Fifth, the law gives the police considerable discretionary powers to decide whether the methods used by pickets, including their number, are lawful in particular circumstances.

With regard to support from other unions the guide says that 'it is important that any request for members of another union not to cross picket lines should be directed to the appropriate official or body of the other union, so that proper instructions can be issued to the members concerned. It is also important that if picketing is planned at any place other than the premises of the employer in dispute, it should only take place after the specific approval of a person authorised by the union in dispute who should take into account the interest of other affiliated unions and consult them accordingly.'

The guide ends with the advice that authorised pickets should be clearly identifiable and should act in a disciplined and peaceful manner, if possible under the instructions of an experienced member, preferably a union official. Any demonstrations should be conducted in a well-organised and disciplined manner and should not give the impression that the object is to blockade a workplace.

Trade Union Organisation and the Closed Shop

This guide provides TUC guidance on the flexible operation of the closed shop.

Starting from the premise that the basis of unionism is organisation, the guide points out that 'the position of individual workers is normally weak relative to the employer. It is only by collective action through trade unions that individual workers can help determine their terms and conditions of employment through negotiating procedures and generally make known their point of view on the operation of the workplace.' This is the motive force behind trade unionism and trade union organisation and so, the guide declares, 'the logical objective of a trade union in terms of organisation is clearly 100 per cent organisation', namely, a situation in which all workers in the relevant trade or unit of employment belong to the union. 'The closed shop is one means whereby the worker can ensure the continuity of collective strength and the freedom within an industrial enterprise to make his or her voice heard.'

The guide points out that 'in certain circumstances membership of a trade union is a condition of employment. Of the 12 million trade unionists who are members of unions affiliated to the TUC, it is estimated that around 5 million work in closed shops.'

There are two categories of closed shop, the guide explains: pre-entry and post-entry. In the post-entry closed shop a person is obliged to join the appropriate union within a specified period of beginning a job. This practice is estimated to cover around 4 million workers.

In the pre-entry closed shop a person has to be a member of a union before he can obtain the job he seeks. The pre-entry closed shop is less common than the other and it is estimated that it covers fewer than a million trade unionists.

The guide notes that 'historically, the closed shop has been used as a means to defend hard won terms and conditions and security of employment from being undermined by persons willing to work for worse terms and conditions. In other industries the closed shop's origins are traceable to the channelling of entry to crafts through apprenticeships in order to maintain standards and employment opportunities.' Closed shops also ensure that all those who enjoy the benefits of trade unionism have paid for them through their union subscriptions.

Many employers, the guide says, 'recognise that the existence of a closed shop ensures that when they negotiate they are talking to a body which is fully representative and in which all the workers concerned have had an opportunity to be involved in the union's decision-making processes. Moreover, in this context the existence of non-unionists may be positively harmful to good industrial relations and can undermine the stability of established negotiating and consultative arrangements.'

The guide goes on to say that 'for many years, unions, voluntarily and without any legal requirement, have made provision for conscientious objectors to be excluded from the closed shop provisions, but in some cases on the understanding that they make an equivalent payment to charity. Some union membership agreements also provide that certain categories of workers need not join the union or unions signified in the agreement.'

The closed shop need not be a rigid arrangement, says the guide; 'its scope can be as flexible as the parties concerned wish it to be and unions might bear this firmly in mind'.

A particular problem which has occurred in recent years, the guide explains, has been 'the conclusion of exclusive union membership agreements by one union in circumstances where another affiliated union or unions has had a membership interest. On occasions such action might breach the *TUC Disputes Principles and Procedures*. More generally it can generate ill-will and endanger good inter-union relations. When making union membership agreements or arrangements unions should have regard to interests of other unions which might be affected and should consider their position in the drafting of the agreement.'

There are a number of ways of achieving 100 per cent membership ranging from a refusal to work with non-unionists to a formal agreement with an employer. The way that causes most difficulties, the guide warns, is 'when a union refuses to handle work from an employer, or to supply goods to him, unless his workforce is 100 per cent unionised by the union. The General Council advise that unions should adopt approaches which place the main emphasis on unions themselves persuading workers of the benefits of trade union membership. . . .

'The Independent Review Committee was established in May 1976 to consider appeals from individuals dismissed from their jobs as a result of being excluded from, or of having been refused admission to, a union in a situation where trade union membership is a condition of employment.

'The independent Review Committee was established under the auspices of the Trades Union Congress and its secretariat is drawn from the staff of the TUC, but its members were appointed in consultation with the Secretary of State for Employment and the Chairman of the Advisory Conciliation and Arbitration Service and it is completely independent in making decisions....

'During 1978, the TUC reminded all affiliated unions of the importance of taking all steps necessary to ensure that individuals excluded from membership or refused admission in situations where trade union membership was a condition of employment were made aware of their rights both within the union and in respect of the Independent Review Committee.'

Parliamentary Reaction

Introducing the joint statement in the House of Commons on 14 February, the Prime Minister, Mr James Callaghan, referred to the guidance on the conduct of industrial relations and said, 'The Government welcome the publication of this authoritative advice by the General Council of the TUC, which its affiliated organisations are asked to accept as a basis for their conduct of industrial relations. General observance of this guidance would make for a substantial improvement in our industrial relations.' (*Hansard*, col 1138.) He also welcomed the recommendations of the CBI[1] which overlapped some of the matters under discussion and looked for an extension of the dialogue that already took place between the TUC and the CBI.

Mr Callaghan concluded his introductory speech by stressing the Government's feeling that the conduct of industrial relations could best be improved by securing the consent of the unions as embodied in the joint statement, which brought 'the full authority of the General Council of the TUC to bear, alongside the Government, in working out a constructive approach to our economic and industrial future.' (*Hansard*, col 1140.)

Opposition Views

In reply the Leader of the Opposition, Mrs Margaret Thatcher, expressed the feeling that many of the aspirations contained in the joint statement could be endorsed but said that a gap existed between these aspirations and the policies necessary to realise the objectives. She welcomed the extension of ballots and 'no-strike' clauses but, with regard to the closed shop, felt that 'codes of practice are no longer enough to deal with this vital subject. They have an important place as a supplement to law, but they are not a substitute for it.' (*Hansard*, col 1141.)

Liberal Views

The Leader of the Liberal Party, Mr David Steel, welcomed the joint statement but thought it 'no substitute for agreement in this House on the twin and related issues of pay policy and industrial relations.' (*Hansard*, col 1145.)

STANDING COMMISSION ON PAY COMPARABILITY

The establishment by the Government of a Standing Commission on pay comparability was announced in the House of Commons on 7 March by the Prime Minister, Mr James Callaghan (*Hansard*, cols 1251-67). He recalled having commented to the House, on 16 January, on the present method of fixing pay and conditions in some areas of the public services and expressing the Government's readiness to see a greater role for measuring workers' pay and conditions by making comparisons with pay for comparable work and effort in other occupations where both sides so requested.

The Prime Minister went on to announce the membership and functions of the Commission. Under the chairmanship of Professor Hugh Clegg of Warwick University, it will report in each case on the possibility of establishing acceptable bases of comparison, including comparisons with terms and conditions for other comparable work, and of maintaining appropriate internal relativities. Any further role for the Commission in each case, the Prime Minister said, would be a matter for agreement between the Government and the parties concerned.

The Commission will study acceptable bases of comparison for manual workers in local authorities and universities, ancillary workers in the National Health Service and ambulancemen. (This follows agreement that this should be done in proposed settlements with these groups.) The Commission has been asked to report on these groups by 1 August and Mr Callaghan explained that both the Government and the unions had undertaken to accept its recommendations. Other groups will be referred to the Commission from time to time by agreement. He also pointed out that the TUC associated itself fully with the establishment of the Commission and that the Secretary of State for Employment would be responsible for the new arrangements, which should help to prevent a repetition of the recent dislocation and hardship experienced by the public. 'This is a difficult area in which to determine proper rates of pay', Mr Callaghan concluded, 'but I believe that these new arrangements will commend themselves to the public as a sensible way forward.'

[1]On 13 February the CBI issued a plan which included the creation of a national economic forum which would take evidence from both sides of industry and other interested parties.

Industrial Strategy: Progress Review

At a meeting of the National Economic Development Council (NEDC) on 7 February, the Chancellor of the Exchequer, Mr Denis Healey, and the Secretary of State for Industry, Mr Eric Varley, presented a memorandum[1] which was the Government's response to the reports of the sector working parties on the third year (1978) of the industrial strategy, designed for confronting and dealing with the

[1]*Industrial Strategy. Memorandum by the Chancellor of the Exchequer and the Secretary of State for Industry.* Obtainable from the National Economic Development Office, Millbank Tower, Millbank, London SW1P 4QX.

sectoral and broader problems of manufacturing industry. The Government described the comprehensive recommendations made in the reports as a 'tangible demonstration of progress', and reaffirmed its commitment to the strategy.

The Sector Working Parties (SWPs), of which there are about 40, were set up under the auspices of the NEDC as part of the Government's industrial strategy announced in 1975 (see pp 434-6, 1975); each SWP consists of representatives of Government, management and the unions. The last review of progress took place in February 1978 (see pp 59-60, 1978).

The first item on the NEDC agenda was a memorandum,[1] by the Director-General of the National Economic Development Office (NEDO), Mr Geoffrey Chandler, who maintained that although a bare two to three years of the industrial strategy was unlikely to show measurable success in reversing long-term adverse trends. there had none the less already been clearly identifiable progress which fully judstified the exercise. This progress had fallen into three categories: improved understanding of manufacturing industry on the part of government and a commitment by government – exemplified in a significant number of specific actions (see below)– to give a priority to industrial development; the identification of specific problems at both sectoral and cross-sectoral level and of the action required to solve these problems; and the impact on the industrial climate over time resulting from discussion in each sector between management and trade union representatives of problems affecting the individual sectors.

An analysis of the SWP reports,[2] drawing out common themes and recommendations, has been prepared by the chairman of the Industrial Strategy Staff Group and was also on the NEDC agenda on 7 February. In 1978 the SWPs were asked by the NEDC to continue with their earlier work of setting or updating market share objectives; to refine and monitor progress on meeting these objectives; to assess their implications for a wide range of resources; and to continue to devise strategies and take action to improve the performance of their sectors. They were asked to give special attention to identifying opportunities for improving productivity and to communicating their ideas and recommendations for sectoral improvements to management and workforce at plant level.

Most SWPs had now set balance of trade objectives for their sectors, the memorandum said, and it was encouraging that, despite the unexpectedly poor outlook for world trade, few of them had found it necessary to revise their 1977 objectives downwards; some had even revised them upwards (11 SWPs having noted improved trade or market-share performance in their sectors). Despite serious statistical problems most SWPs had made significant steps towards effective monitoring of their sector's progress.

Ministerial Memorandum

Welcoming the high quality of the SWP reports, the memorandum from Mr Healey and Mr Varley emphasised the continuing commitment and priority given by the Government to the work and recommendations of SWPs. It also set out the actions that the Government had taken during 1978 to honour its undertaking to give priority to industrial development 'in the knowledge that Britain's national progress, social as well as economic, depends on a healthy and more competitive manufacturing base'.

At the macro-economic level, the memorandum referred to the overriding priority given by the Government to an attempt to provide a stable environment in which industry could prosper, including a counter-inflation policy aimed in part at sustaining Britain's international competitiveness. The Government had maintained control over the money supply and had constrained growth in public expenditure to a level compatible with other claims on resources. The exchange rate of the pound had been more stable. A corporate tax regime which 'compares favourably with that of Britain's competitors' had been maintained, and tax changes had 'improved incentives to work'.

At the micro-economic level, the memorandum said that the Government had studied all SWP recommendations addressed to it and where possible (bearing in mind other priorities) had responded positively to them. Action taken in response to needs identified by the SWPs had ranged widely and had included: increases in selective financial assistance, particularly in microelectronics; improvements in export financing arrangements and British Overseas Trade Board facilities; special help for small firms; special measures to improve the range and scope of government-financed training schemes, particularly with a view to alleviating skill shortages; more progress in supporting research and development, especially through closer collaboration between SWPs and the Department of Industry's requirements boards (see p 331, 1978); further work in support of import substitution objectives; work towards harmonising standards and specifications; improvements in the availability of statistical data; and greater effort in communicating the objectives of the industrial strategy.

The memorandum also gave details of recent action taken to give the needs of industry higher priority in the shaping of government policies which indirectly affect industry. These included policies on education, planning procedures, roads, and a number of other areas.

In their analysis of the economic background against which the SWPs had worked, Mr Healey and Mr Varley reviewed developments in 1978, including the faster growth in gross domestic product, investment, personal living standards, domestic demand and exports. They referred to the projections for the economy published in the White Paper on public expenditure in January 1979 (see pp 32-37), from which it was clear that the rate of economic growth that Britain was able to achieve

[1] *The State and Progress of the Industrial Strategy. Memorandum by the Director-General.* Obtainable from the National Economic Development Office, Millbank Tower, Millbank, London SW1P 4QX.

[2] *Industrial Strategy: Analysis of Sector Working Party Reports. Memorandum by the Chairman of the Industrial Strategy Staff Group.* Obtainable from the National Economic Development Office, Millbank Tower, Millbank, London SW1P 4QX.

would depend on its success in controlling inflation and raising productivity. Growth would be reduced if earnings rose too rapidly over the medium-term while, on the other hand, the economy could grow faster if inflation was kept under firm control and, through the industrial strategy, higher productivity and a better trade performance achieved.

The memorandum stated that in improving productivity it was crucial for British industry to make better use of existing plant, and to extract higher output from new buildings and plant.

In conclusion, the memorandum looked ahead to the work of SWPs in 1979. They would be asked to continue with the quantification of objectives for their sectors; while for its part the Government would continue to improve its supply of information to the SWPs – including the provision of overseas trade statistics on a revised basis to assist in sectoral monitoring. The Government drew particular attention to the development of contacts between the NEDC, the SWPs and companies, and to the way the industrial strategy was adding an important dimension to relations between industry and the Government by enabling the latter to use a flexible range of support more appropriately.

Nationalised Industries and Export Achievement

In the six years to 1977-78 total overseas earnings by nationalised industries in Britain increased fourfold, from £644 million to £2,500 million. Visible exports accounted for some £1,500 million of the total in 1977-78. Some of the increase is accounted for by a physical expansion of public sector industry.

These figures were published in a special report in the 23 February issue of *Trade and Industry* (HMSO, 40p, ISBN 0 11 725629 3). In the report, the Secretary of State for Trade, Mr John Smith, says that, even after allowing for inflation, an increase of this order, based partly on a physical expansion of public sector industry, clearly reflects a shift of emphasis in the traditional post-war role of the nationalised industries. As the Secretary of State points out, with the exception of 'invisible' earnings from air fares, until just over a decade ago exports from the public sector remained relatively insignificant, both as a proportion of turnover and as a proportion of total national exports. The pattern began to change with the re-nationalisation of the steel industry in 1967. The British Steel Corporation is currently Britain's fifth largest exporter. The trend has become more pronounced with the nationalisation of two major manufacturing export industries – shipbuilding and aerospace – which accounted for £800 million of visible exports in 1977-78.

Visible exports by the nationalised industries have increased from a negligible level before the nationalisation of the steel industry in 1967 to some £1,500 million in 1977-78. These earnings came mainly from steel, aerospace, shipbuilding, coal and coke, and railway wagon sales. Visible exports by nationalised industries represented less than 5 per cent of total visible exports in 1977-78 but this proportion would be increased, the Secretary of State points out, if exports from industries that are not fully nationalised but in which the state has a major shareholding are included. These industries include British Petroleum, Britain's top exporter in 1977-78, BL Ltd, fourth largest, Rolls-Royce, International Computers Ltd and other companies with shareholdings held by the National Enterprise Board.

Mr Smith mentions the emphasis in recent years on increasing exports of both products and expertise and the growing recognition of the advantages of co-operation between public and private sectors in consortia to seek major contracts abroad. He noted the further formal recognition and new impetus given to this trend by the formation of the Nationalised Industries Overseas Group (NIOG), known overseas as the Nationalised Industries Overseas Services, in March 1976.

Consultancies

In 1977-78 over 140 consultancy projects worth £133 million, involving nationalised industries, were in hand compared with £80 million a year earlier. This rapid expansion complements the successful record of private sector consultancy firms (see pp 405-7, 1978) represented by the British Consultants Bureau. NIOG joined the British Consultants Bureau in 1978 to improve co-operation and, where possible, link the efforts of public and private sector interests in the consultancy field. NIOG has also now established close links with the Export Group for the Constructional Industries.

Export Achievements

The article gives examples of some major individual export achievements by nationalised industries. Some of these orders and industries are mentioned below.

British Steel Corporation

British Steel Corporation (Overseas Services) has increased its export earnings from the provision of consultancy and project management services over the last five years to a current annual level of £12 million. Engineering, technical and other project-related services are currently being provided for new integrated steelworks in Libya and Venezuela. Other major projects include a four-year contract to evaluate the possibility of processing iron ore from a large deposit in Saudi Arabia and several projects in China.

The Post Office

Over the past two years the Post Office has been awarded consultancy contracts worth nearly £17 million by Libyan telecommunications interests. It has also achieved notable export successes with its viewdata system, Prestel, which has already been sold to the Federal Republic of Germany and the Netherlands, while agreement has been reached in

principle with Hong Kong. Agreement has also been reached with Insac Data Systems, set up by the National Enterprise Board to market British computing systems and software overseas, to launch a viewdata service from a computer in the United States in 1980.

A contract to design a new postal complex in Riyadh and a postal store to serve the whole of Saudi Arabia confirmed the Post Office as a world leader in postal consultancy. It is currently working on projects worth about £2 million in, among other countries, Hong Kong, Barbados, Colombia, Iraq, Jamaica, Jordan, Kuwait, Qatar and Malaysia.

British Rail

British Rail's consultancy subsidiary, Transmark, which makes the expertise of British Rail available to government and railway administrations throughout the world, increased its export earnings between 1973 and 1978 to a current annual total of over £4 million.

The joint export sales company of British Rail Engineering Ltd (BREL) and Metro-Cammell, BREMetro, was established in 1970. While its principal role has continued to be the manufacture and repair of British Rail locomotives and rolling-stock, since the formation of the company there has been a steady rise in the overseas sales of rolling-stock. By August 1978 total export orders were approaching £100 million. Principal contracts are for freight wagons and passenger coaches for East Africa and the Far East but BREL also builds containers, bogies, brake equipment, spares and general engineering items for countries all over the world.

National Coal Board

National Coal Board exports, mainly of coal and coke, were valued at £72 million in 1977-78. Consultancy services earned a further £1·5 million. The 1977 Coal Industry Act gave the Board extended powers to operate outside Britain and was followed by the setting up of British Coal International (BCI), to promote and co-ordinate activities overseas by interests connected with the British coal mining industry. Altogether BCI, through its associated groups, is currently providing consultancy and other services to 35 countries and exporting mining machinery to 100 countries.

British Aerospace

British Aerospace was Britain's sixth largest exporter in 1977-78. Major expected or definite orders since nationalisation include a £200 million order from Romania for BAC One-Eleven airliners; a £150 million order from Finland for 50 Hawk trainer jets; a £25 million order from Indonesia for eight Hawks; the extension of a defence contract with Saudi Arabia worth more than £500 million; a £48 million order for a further 31 sets of A300 Airbus wings from Airbus Industrie (in addition to the £200 million of work already carried out for the consortium); and a multi-million pound contract being finalised to supply the Anglo-French Jaguar to India.

British Shipbuilders

In its first year of nationalisation, 1977-78, British Shipbuilders completed export work worth over £285 million. At the end of the first year, the total merchant order book stood at 118 ships of 1·2 million tons gross; 53 of these vessels, over 600,000 tons gross and worth £352 million, were for export. British Shipbuilders has established a special unit to offer a complete service to offshore operators in the North Sea and around the world. The corporation, whose yards are experienced in building modules, submersibles and drilling vessels, believes there will be major and growing opportunities in the area, and is now well equipped to take advantage of this.

British Airways

BA Management Services has provided consultancy in computer software and communications aids to over 50 of the world's major airlines, as well as a number of other companies in the travel industry for fees totalling more than £15 million. A subsidiary company, International Aeradio Ltd, also earned £57 million in 1977, increasing its sales by nearly a third by equipping and managing airports abroad and training staff in more than 50 countries, with 90 per cent of this revenue being earned overseas. British Airways Engine Overhaul earned a further £14 million from contracts with other operators in 1977-78.

Electricity Council.

British Electricity International (BEI), a subsidiary of the Electricity Council, was established in April 1976 and operates as the focal point for a comprehensive overseas consultancy service provided by the electricity supply industry. The volume of overseas work has steadily increased and BEI is currently operating in some 35 countries. Recent contracts include a comprehensive design, construction and commissioning service for a power station in Hong Kong; managing the entire supply service in Riyadh, Saudi Arabia; design services for a gas turbine power station in Algeria; and sales of training simulators in India, New Zealand and Australia.

British Gas Corporation

The Corporation's international consultancy service is engaged in various projects in, among other countries, Thailand, Algeria, Australia and Canada. In the Irish Republic, British Gas acted as main consultant to the Irish Gas Board for the pipeline system transmitting gas from the natural gas field in Irish waters. Numerous gas-making plants using British Gas technology have been constructed in the United States, Japan and elsewhere.

British Airports Authority

British Airports International (BAI), formed by the British Airports Authority in April 1978, offers a wide range of services in the overseas airport consultancy field. These range from airport planning advice to total airport master planning, including detailed engineering design. A number of contracts have been won in the Middle East ranging from forecasting and master planning to management services.

United Kingdom Atomic Energy Authority (UKAEA)

The UKAEA has a long-established capability for consultancy, training and contract development work in support of nuclear power programmes throughout the world. Foreign currency earnings have more than trebled over the last five years, from

£2·2 million to £7·3 million. The Radiochemical Centre, a totally owned subsidiary of the UKAEA, engaged in the development, manufacture and sale of isotopes for use in industry, medicine and research, increased overseas sales from £6 million to over £27 million between 1974 and 1978.

British Nuclear Fuels

British Nuclear Fuels has established overseas business which covers the conversion and enrichment of uranium; manufacture and supply of uranium and plutonium-based fuels and provision of related fuel-cycle services for nuclear power stations; and reprocessing of nuclear fuel after use. The value of its exports increased from £6 million in 1972-73 to over £23 million in 1977-78.

Cable and Wireless

The state-owned telecommunications contractor Cable and Wireless (C & W), while not a nationalised industry in the normal sense, became a member of NIOG in the summer of 1978. During the last five years the group has increased its taxable profit from £9·5 million in 1973 to £58·2 million in 1977, almost all of this coming from the provision of external and internal telecommunications services to more than 30 overseas governments. In 1978 C & W won a record £200 million-plus contract to supply and install a complete telecommunications system for the Saudi Arabian National Guard.

Agriculture

British agriculture's medium-term prospects and the industry's progress during 1978 were reviewed in recent White Papers.

PROSPECTS FOR BRITISH AGRICULTURE

The White Paper on the medium-term prospects of British agriculture[1] sets out the Government's approach to agricultural policy 'so as to define where the national interest lies and to afford a firm basis for farmers' own decisions'. It examines the case for agricultural expansion over the next five years or so, to provide for a greater share of the nation's food from within Britain, taking into account the likely cost and availability of imports and the efficient allocation of national resources. It also examines the effect on Britain's agricultural industry in the medium term of the Common Agricultural Policy, and reiterates the Government's determination to work to reform the Policy.

The efforts of British farmers and farm workers, the White Paper points out, supply an increasing share of the country's food from a declining area of farmland and with fewer people working in the industry. Since the White Paper *Food from Our Own Resources* set out the results of the 1974-75 review of British agriculture's medium-term prospects (see pp 211-12, 1975), many factors have affected them. The White Paper mentions the following principal developments: (1) in the 1975 referendum, the British people voted in favour of the continuation of the European Community membership; this has meant that United Kingdom agricultural policies have had to operate within the framework of the Common Agricultural Policy; (2) developments on the exchange markets and in the Community's 'green currency' system (see pp 45-6, 1978) have given the Government a much greater degree of control over the sterling prices of agricultural commodities than seemed likely in 1975; (3) inflation has affected both farming costs and the Government's approach to food prices; and (4) 'weather conditions have been more extreme than in any comparable period for many decades: in particular, the dry summer of 1975 and the unprecedented drought of 1976 provided a major setback to agricultural production . . .'. Although production of some commodities has expanded in line with expectations, the White Paper notes that, not surprisingly in view of these developments, this has not been so for all commodities. The Government had, therefore, decided to review prospects and set out its medium-term policy.

Demand for Food in Britain

An annex to the White Paper analyses the likely effects on demand for food in Britain, over the next five years, of changes in population, income, eating habits, and agricultural and processing technology. The Government's conclusion is that 'there is likely to be a modest increase in consumers' total expenditure on food, in real terms, over the next few years, in part reflecting a shift towards the purchase of more highly processed foods'. The White Paper notes that 'Britain remains a major net importer of temperate foodstuffs, and [that] there is therefore considerable scope for expansion to satisfy home demand, as well as the possibility of increased exports of food, feed and drink, which have risen rapidly in recent years to over £2,100 million in 1977.'

The Government will continue its efforts to inform and persuade the public on the need for healthy eating (see pp 27 and 374, 1978).

Agricultural Production and the National Interest

Britain's agriculture will continue to provide nearly two-thirds of the country's supply of temperate foods and more than half of the total food supplies. The industry contributes about 2·5 per cent of the national income and employs a similar proportion of the working population. 'With related sectors, including food and drink processing, the agricultural supply industries, and service industries in rural areas,' states the White Paper, 'farming has a much wider significance in terms of employment and national income. In addition, the prosperity of many rural areas is dependent upon the well-being of agriculture.'

The White Paper points out that it makes sense to produce in Britain foodstuffs in which the country is competitive. 'Growth of productivity in agriculture compares favourably with much of industry. British agriculture's efficiency has enabled it in most sectors to withstand competition from other Community countries, which have benefited from the green

[1] *Farming and the Nation.* Cmnd 7458. HMSO, 80p. ISBN 0 10 174580 X.

currency arrangements.' British agriculture 'has advantages over its overseas competitors in terms of industrial structure, in some cases of soil or climate, and of proximity to the market – particularly important for highly perishable products such as some horticultural crops. The general benefit to the balance of payments to be derived from increasing home production which can compete with imports must be taken into account. While North Sea oil will lead for a time to a marked improvement in the country's balance of payments, the expansion of efficient home agricultural production can contribute to a significant and continuing long-term benefit.'

In addition to existing government assistance through capital grants and taxation policies, expansion requires further investment by the farmers themselves. For this to occur, 'the progressive farmer needs a reasonable assurance that his production will continue to be profitable'.

The White Paper examines the case for devoting resources to agricultural expansion. The prospects for prices and availability of agricultural imports are considered in an annex which points out that there is a real argument for Britain, with its dependence on imports for a relatively large proportion of its food, to reduce the risk of fluctuations in imports and prices and to maintain the security of some of its basic food supplies by increasing the proportion produced at home. However, implications of such an expansion for developing countries should be borne in mind; thus, if imports of grain for livestock feeding led to its scarcity, they should, where possible, be avoided; and 'the major developed countries should . . . leave markets available for those countries which depend on food exports for their foreign exchange earnings'.

After pointing out the relevance of the 'green currency' arrangements and of Community surpluses of some commodities, the White Paper states: 'Overall, the Government's conclusion is that import prospects and the need for insurance continue to point to the desirability of increased agricultural output in [Britain] but not so strongly as to justify seeking the maximum output increase, regardless of the cost to the consumer or to the economy at large, or of its impact on the environment. The Government's domestic agricultural policy, especially on prices, cannot be divorced from the Community's Common Agricultural Policy. The requirement to work within the mechanisms of the latter means that large increases in the resources available to agriculture can be made only by increasing the domestic and import prices of temperate foodstuffs. In assessing when and by how much this should be done . . . the effect on national income and on the wealth and standard of living of the nation at large . . . becomes crucial.'

The Common Agricultural Policy and the Green Pound

The White Paper states: 'The Government's fundamental aims in continuing to seek to reform the Common Agricultural Policy are to encourage low-cost and discourage high-cost production, and to get a better balance between supply and demand. The most effective way to do this is to restrain common price levels, which at present currency exchange rates are well above the levels that apply to British producers and are generally much higher than efficient producers require. This applies particularly to the products in structural surplus, including milk, sugar and wheat. Lower common prices would benefit Community consumers; reduce the burden which the disposal of surpluses places on Community taxpayers; reduce the threat these surpluses present to world markets; make possible a more liberal approach to imports from third [that is, non-member] countries; and reduce the substantial net resource cost which the Common Agricultural Policy imposes on [Britain's] economy. The common price increases of the last two years are the lowest since Britain's entry [see pp 200-1, 1978]. The Government will continue with this approach, which is in the interests of both [Britain] and the Community as a whole. From the economic point of view, restraining high-cost Community production is consistent with expanding low-cost efficient production in the United Kingdom.'

British farmers can be given incentives for investment and expansion, without an increase in common prices, by such measures as capital grants, taxation policy, and adjustments in the green pound rate. With regard to the last, the Government, after considering the possible long- and short-term effects of a devaluation, concluded that 'moderate devaluations, each carefully judged on its merits at the time, can be justified in terms of the needs of the British economy as a whole, including the farming industry. The Government will also continue to seek to eliminate distortions of competitive conditions produced by defects in the detailed operation of the Community arrangements. . . .' [For example the Government has been pressing for changes in the calculation of subsidies on imports of pigmeat (see p 200, 1978).]

The Factors of Production

The White Paper considers the scope for expanding agricultural production, as related to the availability of the different factors of production.

With regard to labour, the rate of decline in agricultural manpower has slowed down and this trend is expected to continue. The Government recognises the important contribution of education and training to the efficiency of the industry and will continue to encourage the development of services appropriate to the needs of the farm workforce.

Noting that the agricultural area is declining, the White Paper states that the Government intends to pursue vigorously its policy of protecting agricultural land, particularly land of better quality. It recognises the claims of amenity and conservation and will take due account of the need to strike a balance between these and farming. It will maintain assistance to farmers in hill and upland areas.

As far as the provision of capital is concerned, the Government proposes to maintain grant aids to investment and has already taken a number of fiscal measures to assist agriculture. On energy, the White Paper recalls the previously announced major programme of expenditure to promote the more efficient use of energy (see pp 21-2 and 265, 1978), which has implications for agriculture, and states that the Government will conduct research into less energy-intensive farming systems. The Government intends to review future water requirements.

The White Paper points out that 'the rapid growth of productivity in British agriculture owes a very great deal to research, development and advice, the bulk of which is undertaken by the Government. The Government will continue to sponsor long-term research, and look for benefit within the next five years from new ideas which are already in the course of development and application on a commercial scale. The speedy adoption of new technology, which the advisory services have a key role in advancing, will remain the cornerstone of the competitiveness of British farming.'

Marketing and Processing

The White Paper points out that 'there would be a clear gain to the national wealth if [the food and drink manufacturing] industries could rely upon a higher proportion of competitively produced raw materials from home sources'.

The Government attaches considerable importance to the efficient marketing of agricultural produce, 'and the successful negotiation of Community arrangements to maintain the Milk Marketing Boards is evidence of this' (see p 200, 1978 – in a poll on the future of the Boards, held in October and November 1978 in accordance with Community regulations, more than 99 per cent of the milk producers' votes were cast in favour of the Boards' continued existence). 'In many sectors, however, British producers are to an increasing degree competing with overseas suppliers whose marketing skills are highly developed, and some shortcomings in our own marketing techniques and structures have become apparent.' The Government, therefore, has decided to set up a committee of inquiry to consider how the marketing of agricultural produce might be improved.

An annex to the White Paper contains data showing the increasing value and volume of Britain's exports of food, animal feedingstuffs and drink in the years 1972-77. For example, the volume of food exports rose by 60 per cent during this period.

A Scope for Expansion

In the light of the policies and assessments set out in the White Paper, the Government has concluded that 'a sustained increase in agricultural net product is in the national interest and can be achieved without undue impact on the environment'. Increased productivity should be the major means of securing growth in output, and the Government will frame its policies 'so as to afford the framework of stability and confidence in which this can take place, while paying due regard to the claims of conservation and other uses of the countryside. It is not possible to predict with certainty the precise scale or pattern of the production increase; this will depend on technical improvements, the relative prices and profitability of the various commodities, the weather and many other variables. However, a full study,[1] made on alternative price assumptions and based on the average actual results for 1977 and provisional results for 1978, suggests that the net product of British agriculture in five years' time might be some 10 to 20 per cent higher in real terms.'

[1] *Possible Patterns of Agricultural Production in the United Kingdom by 1983.* HMSO, 60p. ISBN 0 11 240326 3.

REVIEW OF 1978

The White Paper on British agriculture in 1978[1] shows a continued improvement in agricultural production. Net product and labour productivity reached record levels. However, the industry's net income fell, partly because of increases in prices of inputs.

The White Paper notes that 'net product, which reflects the contribution made by the farming industry to the national economy, reached a record level some 5·5 per cent above the level in 1977'. (In this context, net product is the difference between agriculture's output, valued at constant prices, and the total value, also at constant prices, of the goods and services purchased from outside the agricultural sector and used in producing the output.) The expansion was helped in 1978 by generally favourable weather, although poor weather at harvest time in the north, particularly in Scotland, caused delays and losses. Rises in input prices resulted in a 7 per cent increase in the industry's costs. Partly as a result of this, the 15 per cent rise in net income[2] at current prices (excluding stock appreciation) in 1977 was followed by an estimated 3·5 per cent fall (11 per cent in real terms) in 1978. The volume of new fixed investment, which showed no change in 1977, is estimated to have increased by 2·5 per cent in 1978.

Some details of the review are given in the following text and tables.

Production

Milk production is estimated to have increased by 4 per cent, mainly because of a continuing increase in yield per cow; the size of the dairy herd is thought to have risen only marginally. Beef, sheepmeat, poultrymeat and egg production all increased; and, although pigmeat production fell, it is likely to increase in 1979, as the fall in the size of the breeding herd was reversed. The sheep breeding herd continued to expand, and the decrease in the number of beef-type heifers in calf has been slowing down.

In the field crop sector, the estimates show a record level of cereal production – 17·4 million tonnes, an increase of 4 per cent over the preceding year – due mainly to high yields per hectare. Both potatoes and sugar beet also show increased yields per hectare and higher production, resulting in plentiful supplies of potatoes and over 1 million tonnes of sugar.

The value of horticultural output fell slightly compared with the high level of 1977; this was due mainly to reduced prices resulting from increased supplies of apples and many vegetables. The area devoted to horticultural crops fell by 4 per cent; the greater part of the decline was in the field vegetables

[1] *Annual Review of Agriculture 1979.* Cmnd 7436. HMSO, £1·25. ISBN 0 10 174360 2. These annual White Papers provide information which can be drawn on by the Government both for the formulation of Britain's position in the annual negotiation on the European Community agricultural support and for decisions on national support arrangements. Many of the figures for 1978 are estimates based on information available in November of that year.

[2] Net income is, broadly, the return to farmers and their wives for their labour and for the use of their investment other than land and buildings.

Table 1

Agricultural Net Income, Net Product and Labour Productivity
(all commercially significant holdings)

Year	Net income* at current prices (excluding stock appreciation †)	Net product at constant prices‡	Labour productivity
	£ million	*Index (1975=100)*	*Index (1975=100)*
1974	745	114	107
1975	921	100	100
1976	1,136	91	91
1977	1,301	115	113
1978 (estimate)	1,256	122	117

*For definition, see p 68, footnote 2.
†Stock appreciation is that part of the change in the value of stocks and work-in-progress which is attributable to the change in the cost of inputs between the beginning and end of year.
‡For definition, see p 68.

Table 2

Gross Capital Formation in Agriculture *£ million*

Year	Gross fixed capital formation			Increase in value of stocks and work-in-progress*
	Plant, machinery and vehicles	Buildings and works	Total	
1974	276	250	526	611
1975	347	241	588	294
1976	457	225	682	619
1977	545	250	795	749
1978 (estimate)	650	275	925	494

*Excluding change due to volume of purchased feed and fertilisers.

but this reduction was offset by generally higher yields.

The record cereal crop and the high output of milk and of some field and horticultural crops are the main reasons for the increase in the index of net product from 115 in 1977 to an estimated 122 in 1978 (1975=100). (See Table 1 : the relatively low levels of the index in 1975 and 1976 were due to drought conditions.)

Productivity of Labour

Labour productivity (defined as gross product per person engaged in agriculture), which had declined in the two drought years but increased substantially in 1977, is estimated to have risen further in 1978 (see Table 1). Over the past ten years, labour productivity has increased by nearly 4·5 per cent a year ; before the two drought years, the increase was between 5 and 5·5 per cent a year. The increase in productivity should be seen in relation to the outflow of regular whole-time workers which amounted to 3 per cent in 1978 and 4·5 per cent in 1977.

Price Changes

After rising by 5·5 per cent in 1977, prices of agricultural products are estimated to have increased by 2 per cent in 1978. The prices of inputs, including labour, rose by 14 per cent in 1977 ; the estimated rise in 1978 was 7 per cent.

Investment

It is estimated that the industry's gross fixed capital formation was 16 per cent higher in 1978 than in the preceding year (see Table 2) ; the bulk of the increase is attributable to plant, machinery and vehicles. However, the estimated rise in the value of stocks and work-in-progress is lower than the preceding year's figure, reflecting a smaller build-up of stocks of harvested crops.

In volume terms, the estimates point to increases in both categories of fixed capital formation, that is, in plant, machinery and vehicles, and in building and works.

Public Expenditure

The estimated expenditure on price guarantees, grants and subsidies (excluding the brucellosis incentives and the milk subsidy) in 1978-79 is £248 million. The £43 million increase compared with the preceding year has resulted mainly from the £30 million rise of the expenditure on grants under the Farm and Horticulture Development

Scheme; these grants are estimated to reach a total of £52 million.

Expenditure under the common market organisation of the European Community is estimated at about £293 million in 1978-79, compared with £185 million in 1977-78; the rise is mainly due to increases in the cost of subsidies on animal feed and of payments to exporters to enable them to compete on world markets. The White Paper points out that some of this expenditure benefits consumers and overseas exporting interests rather than producers.

Scientific Research

An increase of £47 million in the Science Budget over the next four years has been announced by the Secretary of State for Education and Science, Mrs Shirley Williams. This is expected to enable a wider range of research opportunities to be exploited in areas such as microelectronics. The importance of sustained growth in the Science Budget was one of the conclusions of the Third Report of the Advisory Board for the Research Councils (ABRC), published on 20 February.[1]

INCREASE IN THE SCIENCE BUDGET

Details of the increase in the Science Budget (which covers grants to the five research councils, the Natural History Museum and the Royal Society, and is intended to develop the sciences, maintain a fundamental capacity for research and support higher education) were given by the Secretary of State for Education and Science in the House of Commons on 11 December 1978 (*Hansard*, written answers, cols 9-10). Mrs Williams said that she had decided to increase the planned totals for the Science Budget at 1978 public expenditure survey prices by £10 million in 1979-80, the same amount in 1980-81, £12 million in 1981-82 and £15 million in 1982-83.[2] This would 'make it possible to exploit a wide range of opportunities for advance in, for example, engineering (including microelectronics) and in other areas supported by the Science Research Council [SRC] which help to maintain our national scientific capability and contribute to developments in industry; studies relevant to cancer and brain disorders; geological programmes with potential for energy and mineral resources; and agricultural research with potential for higher crop yields'. It would also 'benefit the training of post-graduate students and provide greater scope for promising young scientists'. Mrs Williams said that she had accepted the advice of the ABRC on the allocation of the Science Budget in 1979-80 (subject to parliamentary approval) and the growth guidelines for planning by the recipient bodies for 1980-81 to 1982-83. Details of these are given in the table.

Examples of Areas where Additional Research is Planned

The extra resources will make it possible for the research councils to expand their programmes in a range of scientific fields. Some examples were set out in the press notice issued by the Department of Education and Science on 11 December which gave details of Mrs Williams's announcement. One feature of the increased Budget is that it will bring to an end the switching of resources away from the SRC.

As well as continuing to give priority to developments in engineering research and training geared to the needs of industry, the SRC will be able to give more support to postgraduate and university research in a wide range of the natural sciences and to maintain Britain's place in some of the most advanced fields of scientific discovery. In particular, support is planned for microelectronics (including the use of electron beams in the production of microprocessors), new computer applications (such as industrial robotics), the development of computer technology, and computing science. The SRC will explore with the United States National Aeronautics and Space Administration the possibilities of collaboration on a new multi-purpose reusable space vehicle.

The Agricultural Research Council (ARC) intends to devote additional sums to research which could lead to higher crop yields, through the more efficient use of solar energy by plants; savings in fertilisers by breeding plants which can produce their own fertiliser; more productive and contented livestock, through better understanding of their behaviour; and healthier livestock from studies of diseases affecting farm animals.

The Medical Research Council (MRC) plans to give urgent support to university biomedical research and further support for research on cancer and its treatment, neurological disorders (strokes and brain tumours), immunology and clinical problems. It also intends to create a new Unit of Environmental Epidemiology (the study of long-term effects of pollution on populations).

Research programmes which the Natural Environment Research Council (NERC) intends to expand are those on geological work in connection with deep drilling and mapping, which is important for future mineral and energy exploration; new means of pest control using viruses harmless to man; better understanding of the climate; remote sensing by satellite, for resource and ecological surveys; and modelling the behaviour of British estuaries.

THIRD REPORT OF THE ADVISORY BOARD

The Advisory Board for the Research Councils was set up in November 1972 (see p 383, 1972) to advise the Secretary of State for Education and Science on his or her responsibilities for civil science with particular reference to the research councils and on the allocation of the Science Budget among the research councils and other bodies, and to promote

[1] *Third Report of the Advisory Board for the Research Councils 1976-1978.* Cmnd 7467. HMSO, 70p. ISBN 0 10 174670 9.

[2] Figures for the Science Budget are given in the White Paper, *The Government's Expenditure Plans 1979-80 to 1982-83* (see pp 32-7). They show projected expenditure at 1978 survey prices of £269 million in 1978-79, £277 million in 1979-80, £275 million in 1980-81, £277 million in 1981-82 and £280 million in 1982-83. It should be noted that these figures include a few small items of expenditure which are not covered in the table in this article.

Science Budget

	Budget for 1979-80 (£ million at 1978 prices)	Guidelines for growth of expenditure (per cent)		
		1980-81	1981-82	1982-83
Agricultural Research Council	24·7	+1·9	+1·1	+1·0
Medical Research Council	46·5	+1·6	+0·9	+1·0
Natural Environment Research Council	31·1	+2·5	+1·5	+1·0
Science Research Council	149·7	−1·0	−0·5	+1·0
Social Science Research Council	14·8	no change	no change	no change
British Museum (Natural History)	4·6	+0·5	+0·5	+1·0
The Royal Society	2·6	+1·0	+1·0	+1·0

close liaison between the councils and the users of their research. The report, submitted to the Secretary of State on 14 November 1978, deals with the period from January 1976 to the end of June 1978, which it describes as 'a difficult period for British science', and pays particular attention to two main problems: the effects on the Science Budget of the Government's restraint on public expenditure and of a high rate of inflation, and the continuing adjustment of the research council system to the changes which followed the White Paper, *Framework for Government Research and Development,* published in 1972 (see pp 342-4, 1972).

Science Budget

The report looks at some of the effects of the fall in real terms in the Science Budget which occurred in the mid-1970s following many years of growth. It says that these cuts required 'painful adjustments' which were harder to implement as they coincided with lower grants to universities through the University Grants Committee and with the strains on councils by the transfer of some funds to customer departments (see below). Since 1974 the Advisory Board has followed a policy of redeployment from 'big science' (high energy physics, astronomy, space and radio research) carried out by the SRC, but the need to absorb unforeseen expenditure cuts led to a more severe redeployment than the Board might otherwise have recommended. Some of the resources freed as a result of this redeployment helped to alleviate some of the worst effects for the other councils of the constraints on the Science Budget, while some resources were also used to support new initiatives within the SRC. However, engineering was the only major field where it was possible for the SRC to provide for a significant increase in activity. It inaugurated special programmes in areas of national importance – polymer engineering, marine technology and production engineering – within an overall effort to enhance research and postgraduate training in university engineering departments.

Some of the problems resulting from the reduction in the Science Budget caused the Board serious concern, for example, the lack of scope for the councils to develop new programmes and their inability to offer sufficient postgraduate awards to take advantage of the opportunities presented by the rise in the number of well-qualified graduates. The Board made its views known to the Secretary of State in 1977 and 'members were gratified that subsequently the Government announced in Cmnd 7049 [the 1978 White Paper on public expenditure – see pp 52-6, 1978] that the level of the Science Budget would be increased by 1½ per cent for the period 1978-79 to 1981-82'. For the future, the Board concludes that 'a period of sustained real growth at a rate of 4 per cent per annum must be regarded as a minimum'.

Changes in the Framework for Government Research and Development

The Board considers the effects of the main changes brought about following the 1972 White Paper. The new arrangements were expected to help to define the scientific problems underlying national needs, and to provide a way to determine which research and development programmes were worthwhile, how much should be spent on them and how the results could be fully exploited to the benefit of the community as a whole.[1]

The report says that the appointment of Chief Scientists and the development of their organisations in government departments have been a major benefit. Scientific competence within departments has grown and they have become more aware of their research needs, the councils' capabilities and the importance of maintaining scientific vitality. The membership of Chief Scientists has also been beneficial to the councils and the Advisory Board.

According to the report, some problems have arisen from the new relationships between departments and the research councils, particularly those three councils which derive income from commissioned work. As a large proportion of their income (52 per cent for the ARC, 34 per cent for the NERC and 20 per cent for the MRC) is derived from commissions, these councils are concerned about their vulnerability to possible changes in the nature and level of commissions. In addition, they have lost considerable flexibility in switching resources to areas of developing scientific opportunity because

[1] A White Paper, *Review of the Framework for Government Research and Development* (*Cmnd 5046*) (Cmnd 7499, HMSO, £1·25, ISBN 0 10 174990 5), published on 7 March, concludes that the arrangements made in the 1972 White Paper have strengthened the Government's research and development machinery. A summary of Cmnd 7499 will appear in the next issue of *Survey of Current Affairs.*

their staff and facilities are extensively committed to commissioned work determined by their customers, and the MRC and the NERC have found increased administration a heavy burden, although departments have now made some improvements to the administrative procedures. In general, satisfactory relationships between the councils and departments have now been established, and the departments have said that they are satisfied that the commissioned programmes are relevant to their needs. Among the Board's conclusions are that no major change should be made in the general character of the system; there should be no further transfer of funds from any research council to departments; departments should, wherever possible, place longer and broader commissions with the councils, which should make it easier for councils to plan; and that efforts should continue to be made to simplify administrative procedures wherever possible.

Shorter Notes

CASH LIMITS

The Government's policy on cash limits for 1979-80 (limits on a range of departmental expenditure) was outlined by Mr Joel Barnett, Chief Secretary to the Treasury, in a written answer to a parliamentary question on 23 February: 'The Government propose to set and operate cash limits for the year ahead so that they support the observance of the Government's monetary targets and a public sector borrowing requirement for 1979-80 in line with the projection in the recent public expenditure White Paper [*The Government's Expenditure Plans 1979-80 to 1982-83* (see pp 32-7)].' (*Hansard,* written answers, col 334).

With regard to prices, he continued, cash limits for both central and local government would provide for an increase in the index of retail prices of 8·5 per cent between the fourth quarter of 1978 and the fourth quarter of 1979. (This increase is consistent with increases in prices contained in the Industry Act forecast of November 1978 and the guidelines in *Winning the Battle Against Inflation*, published in July 1978 (see pp 296-7, 1978).)

'In respect of pay, the cash limits will be set in accordance with the policy stated [in *Winning the Battle Against Inflation*], together with the £3·50 underpinning subsequently announced [see p 31]. The Government will review each case as settlements are reached. Certain adjustments may be necessary, but for central Government expenditure on manpower the general principle will be that a substantial proportion of any excess cost above the provision already made will have to be absorbed within the existing cash limit. Local authority settlements are covered by the cash limits on rate support grant. It has been agreed that the cash limits should be increased in respect of the Government's contribution to the offer made to the manual workers.[1] Whether the Government make any further contribution in respect of other settlements will depend on the circumstances of each case, but in no such circumstances will the Government contribute more than their standard share of local authority current expenditure.

'For nationalised industries, the Government's policy is that external financing should be contained within the aggregate provision [in *The Government's Expenditure Plans 1979-80 to 1982-83*].'

REVALUATION OF THE OFFICIAL RESERVES

A change in the basis of valuation of the official reserves was announced by the Chancellor of the Exchequer, Mr Denis Healey, in the House of Commons on 8 February (*Hansard*, written answers, cols 267-8). In his statement the Chancellor said: 'I have decided that the official reserves should be revalued on 31 March 1979, and annually on 31 March thereafter. The gold in our reserves is still valued at the old official price which has been well below the market price for some time. The amendment of the relevant International Monetary Fund [IMF] Articles [see pp 269 and 373, 1978] last year has made it appropriate to review this practice, and I have decided that gold will in future be valued in dollars at the average of the London fixing prices over the three months before each 31 March, discounted by 25 per cent. Special drawing rights [SDRs] and foreign currencies other than dollars will be valued in dollars at the average of the exchange rates recorded by the Bank of England over the preceding three months. Most other countries value their holdings of SDRs and foreign currencies at market-related rates; Italy, France and the Netherlands also value their gold holdings at market-related rates.'

Britain's official reserves are published in dollar terms and for this purpose gold is currently valued at the official price of $42·222 per fine ounce. SDRs are valued at the dollar rate which prevailed just before the onset of generalised floating of exchange rates in 1973 ($1·20635) (see p 127, 1973) and non-dollar currencies are converted at historic, mainly Smithsonian, rates (see p 30, 1972). As the dollar has fallen against gold and other major currencies these valuation rates have led to the published reserves being significantly undervalued in dollar terms. Until recently the IMF Articles of Agreement laid down an official price for gold in terms of the SDR and there were limitations on official gold transactions above this price. The Articles have now been amended (the Second Amendment was ratified in April 1978) so that the official price has effectively been abolished and gold can therefore be valued at whatever price the authorities choose.

[1] On 21 February, according to press reports, manual workers in local authorities were offered an improvement of 9 per cent in basic rates of pay, a comparability study with the prospect of more money in August (see p 62) and an immediate payment of £1 a week in advance of the study.

The most appropriate date for the annual revaluation has been fixed at 31 March, since this is the end of the Exchange Equalisation Account's (EEA) accounting year (the EEA is the Government's account, managed by the Bank of England, which holds the official gold and foreign currency reserves). In deciding the valuation, account has been taken of the possibility that if gold were to be sold or pledged during the course of a year it might not be possible to realise the market price as it stood on the previous 31 March; a discount of 25 per cent is therefore being applied.

The increase in the dollar value of the reserves resulting from this decision will depend on the movement in the gold price and changes in exchange rates over the three months to 31 March. The probable rise will, however, be of the order of $3,500 million (at the end of February the reserves stood at $16,617 million).

ECONOMIC AGREEMENT WITH CHINA

The Secretary of State for Industry, Mr Eric Varley, announced in Peking on 4 March that substantial orders from the People's Republic of China for British industry would be placed in the next few years. Mr Varley was speaking after the signing of an agreement on economic co-operation between Britain and China. Full details of the agreement are given in an article in the 9 March issue of *Trade and Industry*. The agreement has a target of $14,000 million of trade and other economic activity between the two countries by 1985. This is $4,000 million more than the figure announced after the first round of discussions on the trade agreement in London in November 1978 during the visit of Vice-Premier Wang Zhen [Wang Chen] (see p 430, 1978). The Secretary of State said that both governments agreed that the target was ambitious but realistic and that, with a major effort, it might even be exceeded. He also announced that the export of capital goods from Britain would be given a credit guarantee of $5,000 million by the British Government.

The agreement on economic co-operation was signed at the end of a week-long visit to China by Mr Varley, who was accompanied by ten leading industrialists and a senior trade unionist. Discussions on industrial topics covered a wide range, including coal, minerals, vehicles and components, food and drink, light engineering, aerospace, shipbuilding, power generation, machine tools, steel and chemical plant and construction equipment. Substantial progress was made in a number of areas and this should be reflected in specific contracts in the near future, according to the article. Negotiations were also started in several new areas.

The article goes on to say that in many fields British experience and expertise seem closely to match the needs of China. The country is determined to modernise and to make its trade internationally competitive but these aims can be achieved only if it expands its capabilities in power generation, increases its production of coal, speeds the exploitation of its huge mineral resources, improves communications and promotes the development of exporting industries. Britain has expertise in all these areas. Manufacturers of power plants have discussed in detail China's needs for power stations and specific proposals will soon be put to the Chinese. A team of mining technologists, manufacturers of mining equipment, marketing experts and bankers will soon go to Peking to discuss how China can best sell its coal abroad. As a result of discussions by a British team in Peking last January on ways in which Britain could help exploit China's massive non-ferrous resources, companies are now preparing specific proposals.

British interests in other areas should also benefit from discussions during Mr Varley's visit, according to the article. China is interested in the Airbus and the BAe 146 projects and talks in these areas are to be continued and followed up. Also, a team from China may visit Britain later this year to discuss projects for the modernisation of railways.

If China does buy products such as the BAe 146, purchases are likely to be on the basis of part manufacture in China of these or related products. Chinese leaders expressed to Mr Varley their concern at the cost in terms of foreign exchange of an ambitious programme of modernisation and their consequent preference for arrangements that would lessen the impact of such a programme on the country's reserves of foreign exchange. Mr Varley pointed out that Britain was in a particularly good position to help, over and above the credit arrangement already mentioned. There were three possible forms of such help. First, the exploitation of China's mineral resources with the involvement of British companies should provide considerable amounts of foreign exchange during the 1980s. Second, Britain's trading expertise could be used in specific areas, such as coal. Third, British companies were very willing to consider part manufacture in China. Several of the industrialists who accompanied Mr Varley offered proposals along these lines for discussion with the Chinese Government.

INDUSTRIAL INNOVATION

Innovation must be at the heart of any improvement in the performance of manufacturing industry in Britain, emphasises a report[1] published by the Advisory Council for Applied Research and Development (see p 34, 1977) on 8 February.

The Council argues in the report that industrial innovation should be considered more in terms of improving manufacturing technology, product quality and control and less in the context of new advanced products. It believes that greater recognition needs to be given to the special contribution which small firms can make to innovation. The report contains a number of recommendations, the chief of which are: that the importance of innovation should be recognised as a major component of the industrial strategy (see p 62); that there should be

[1] *Industrial Innovation.* HMSO, £1. ISBN 0 11 630808 7.

a major programme to shift resources towards manufacturing production and technology (through tax incentives, encouragement of closer links between industry and institutions of higher education, expanded technical information services, and, possibly, a new Royal Award [see p 362, 1978] for manufacturing innovation) and special tax relief and financial assistance for small firms. Some of the factors inhibiting innovation are considered in the report, as are the ways in which British approaches to innovation differ from those of certain other countries.

The Council recognises that the development of particular new ideas and the introduction of new processes is a matter for industry and the companies concerned and, as in its report on micro-electronics (see p 374, 1978), suggests that government action should concentrate on improving awareness within British industry of developments overseas and provide a backing for those companies wishing to update their production technology. It affirms the argument that a thriving small business sector can have a powerful impact on industrial change and movement.

The Government is sympathetic to the main themes of the report, which it now has under active consideration, and will provide a considered response when the proposals have been fully analysed and discussed.

SPECIAL EMPLOYMENT MEASURES

New measures to reduce unemployment over the next year at a gross cost of £250 million were announced by the Government on 20 February. (The costs are to be met from funds already allocated to the Department of Employment and the Manpower Services Commission [MSC]). The measures include two new elements, the introduction of a temporary national short-time working scheme and the introduction, as soon as possible, of an additional labour subsidy related to wage levels for the private sector which could be made available in some restructuring situations with the objective of preserving jobs which would disappear otherwise. This last proposal has still to be discussed with the Trades Union Congress (TUC) and the Confederation of British Industry (CBI).

Announcing the measures in the House of Commons, the Secretary of State for Employment, Mr Albert Booth, said that up to 250,000 young people and 50,000 adults should be helped by the special programmes in the year from 1 April. (*Hansard*, 20.2.79, cols 225-6.)

In full, the special employment measures include expansion of the MSC's Youth Opportunities Programme for young people aged 16 to 18 (see p 68, 1978) to provide between 100,000 and 120,000 filled places by the end of 1979, which could enable up to 250,000 young people to have job opportunities in the year 1979-80; and expansion of the MSC's Special Temporary Employment Programme for adults (see p 279, 1977) to enable up to 50,000 adults, particularly those who have been unemployed for relatively long periods of time, to enter the programme. The Temporary Employment Subsidy (see pp 320-1, 1975), which closes for applications on 31 March, is to be replaced by a national scheme to encourage employers to use short-time working as an alternative to redundancies. The Government has already announced its intention of introducing a statutory short-time working scheme (see p 381, 1978). Subject to consultations with the TUC and the CBI and the approval of Parliament this temporary scheme will enable workers on short-time to be paid 75 per cent of their normal pay for each day's work lost and their employers will be fully compensated by the Department of Employment. The subsidy will be paid for up to 12 months and will be open to both private and public sectors. The Job Release Scheme (see p 413, 1976) is to be continued for a further year.

CARFAX

Trials of an improved system of broadcasting traffic information, known as 'Carfax', developed by the British Broadcasting Corporation (BBC), have been authorised by the Secretary of State for Transport, Mr William Rodgers. Announcing his permission on 12 February, Mr Rodgers described Carfax as 'an important new British project which could help the motorist, reduce congestion and save lives'. The trials were recommended by a working group of representatives of the Transport and Road Research Laboratory, the BBC, the Independent Broadcasting Authority, the Home Office, the Police Service and the Department of Transport. The group considered that a co-ordinated service of traffic broadcasting could provide benefits through savings in time, in accidents and in other benefits to motorists and the police. Savings from an efficient system could be about £5 million to £10 million a year.

At present traffic information announcements are included when necessary in national and local radio programmes, but the Carfax system will enable a motorist to receive more precise local information concerning the area in which he or she is travelling. Traffic information will be broadcast only to motorists in the areas affected by a particular traffic hazard. A driver travelling in a vehicle with a suitably equipped radio (fitted with a special receiver) will receive this information from a transmitter; a signal from the transmitter will switch on the radio or interrupt the programme to which he or she is listening. Initial engineering tests are expected to begin in March 1979 and will be followed later in 1979 or in 1980 by tests involving the broadcasting of information. The trials, which will cover five transmitters in London and the South East, are expected to extend for about two years, and will examine the technical performance of Carfax and how the increased volume of traffic information can best be handled. Other countries have shown interest in Carfax and the BBC has been asked to conduct a trial in Switzerland.

MARINE POLLUTION

The Government has accepted recommendations for improved arrangements to combat pollution at sea, which will nearly double annual expenditure on the anti-pollution effort. It is also to press strongly for an increase in compensation for oil pollution damage.

The recommendations and proposals are contained in four reports on marine pollution published by the Department of Trade in February.[1] The reports form part of the follow-up action to the Government's review of contingency plans to deal with a major oil spillage, set up after the *Amoco Cadiz* disaster (in which some 230,000 tons of oil were spilled into the sea off the coast of Brittany).

Among the conclusions and recommendations in the reports are the need for close liaison between the Department of Trade and other departments and agencies involved in pollution emergencies, including the Ministry of Defence Maritime Headquarters and local authorities; improved communications; a considerable enhancement of the present dispersant spraying capability; additional and accelerated research and development; that the Government should set up two caches of specialised equipment to unload oil from a damaged tanker; and that a detailed study to identify ports and places of refuge for tankers leaking oil should be initiated, in consultation with the interests affected. The reports also recommend that, through the Inter-Governmental Maritime Consultative Organisation, the Government should seek to extend existing liability conventions to cover the bunker oil of unladen tankers and to investigate the likely degree of international support for an extension to cover non-persistent oils; that the Government should press for an immediate increase in the present compensation ceiling [of £19·5 million under the International Compensation Fund for Oil Pollution Damage] and that it should support a longer-term review of this subject, emphasising the need for speedy settlement of claims.

Announcing the Government's acceptance of the proposals the Secretary of State for Trade, Mr John Smith, said that the capital costs in 1979-80 would be some £1·5 million with recurrent costs of about £500,000, apart from additional staff which might be needed by the new Marine Pollution Control Unit (*Hansard*, 23.2.79, written answers, cols 373-4). Mr Smith said that these developments would represent a considerable improvement in preparedness to deal with pollution emergencies, without the great expense of maintaining vessels solely for anti-pollution duties which would rarely be used.

Background

At the beginning of April 1978, following the *Amoco Cadiz* disaster, the Prime Minister asked departments concerned to review all contingency plans for dealing with a major oil spillage. The main review was completed and published in August 1978 (see p 313, 1978). On the same date it was announced that among the recommendations accepted by the Government were the setting up of a new unit in the Department of Trade with specific responsibilities for planning contingency arrangements and taking charge of operations to deal with pollution at sea. The Maritime Pollution Control Unit is now being established as part of the Marine Division of the Department of Trade. The Government was also to work out proposals for an increase in the existing capability for dealing with pollution at sea, to improve communications and to review salvage arrangements, liability and compensation provisions, and beach cleaning arrangements.

[1]Published as two volumes: ***Liability and Compensation for Marine Oil Pollution Damage*** and ***Improved Arrangements to Combat Pollution at Sea.*** Available free from the Marine Library, Sunley House, 90/93 High Holborn, London WC1V 6LP.

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Parliamentary Commissioner for Administration: Annual Report for 1978 (Second Report for Session 1978-79). The retiring Ombudsman, Sir Idwal Pugh, suggests in his final report (presented by the new Ombudsman, Mr C. M. Clothier, QC) that there is a strong argument for a single, easily understood procedure for all complaints – whether for the Parliamentary Commissioner, the Health Service Commissioners or the local Commissioners. The report summarises the work of the Parliamentary Commissioner over the year. HMSO, 90p. ISBN 0 10 220579 5.

Annual Abstract of Statistics 1979. Central Statistical Office. HMSO, £8·50. ISBN 0 11 630757 9.

Scottish Abstract of Statistics 1978. HMSO, £6·25. ISBN 0 11 491581 4.

Ulster Yearbook 1978-79. Belfast HMSO, £5. ISBN 0 337 01029 3

The Civil Service Year Book 1979. HMSO, £4·50. ISBN 0 11 630244 5.

External Affairs and Defence

Statement on the Defence Estimates 1979. (See pp 50-4.) Cmnd 7474. HMSO, £2. ISBN 0 10 174740 3.

Convention on the Prohibition of Military or any other Hostile Use of Environmental Modification Techniques. Cmnd 7469. HMSO, 25p. ISBN 0 10 174690 3.

Developments in the European Communities July-December 1978. Cmnd 7489. HMSO, 80p. ISBN 0 10 174890 6.

Decision of the Representatives of the Governments of the Member States of the European Coal and Steel Community ... allocating to that Community Supplementary Revenues for 1978. Cmnd 7464. HMSO, 20p. ISBN 0 10 174640 7.

Agreement between [Britain and Hungary] on Co-operation in the Field of Medicine and Public Health. Cmnd 7446. HMSO, 20p. ISBN 0 10 174460 9.

Exchange of Notes between [Britain and the United States] relating to the Use by the United States of certain Defence Areas in the Turks and Caicos Islands. Cmnd 7447. HMSO, 20p. ISBN 0 10 174470 6.

The Commonwealth Institute. COI, SN5573.

Economic and Scientific Affairs

The Economy, the Government and Trade Union Responsibilities. Joint Statement by the TUC and the Government (see pp 56-62) HMSO, 40p. ISBN 0 11 360862 4.

Economic and Social Progress in Northern Ireland: Review and Prospects. Central Economic Service and Department of Finance. Reviews and assesses recent developments in the economic, social and environmental fields, and outlines the Government's views on possible ways to enhance progress in these areas. Unpriced.

Minimum Lending Rate (MLR). The Bank of England's MLR was reduced by 1 per cent on 1 March to 13 per cent. Bank of England press notice, 1.3.79.

Inland Revenue Statistics 1978. HMSO, £4·75. ISBN 0 11 641014 0.

Inland Revenue. 121st report of the Commissioners for the year ended 31 March 1978. Cmnd 7473. HMSO, £1·50. ISBN 0 10 174730 6.

A Short Guide to Taxes in Britain. COI, SN5983.

Guide to Public Sector Financial Information. HMSO, £2·50. ISBN 0 11 630759 5.

Committee to Review the Functioning of Financial Institutions (Chairman: Sir Harold Wilson). Second Stage Evidence. Volume 2: Insurance Company Associations, Lloyd's, Committee on Invisible Exports. HMSO, £3. ISBN 0 11 630708 0.
Second Stage Evidence. Volume 3: Building Societies Association, Committee of London Clearing Bankers. HMSO, £2·75. ISBN 0 11 630709 9.

Insurance in Britain. COI, R5787/78.

British Overseas Trade Board Report 1978. The report contains details of government expenditure on the promotion of exports, estimated at £71·9 million for the year ending March 1979. It also includes a summary of the activities of the Board's Area Advisory Groups and of the British Overseas Trade Advisory Council. Available free from the Publicity Unit, British Overseas Trade Board, 1 Victoria Street, London SW1H 0ET.

British Labour Statistics: Year Book 1976. HMSO, £20. ISBN 0 11 360695 8.

Dock Labour Scheme 1978. Draft scheme laid before Parliament under the Dock Work Regulation Act 1976 for approval by resolution of each House of Parliament. HMSO, 60p. ISBN 0 11 361140 4.

Packaging and Labelling of Dangerous Substances. A practical, non-technical, guide to new regulations on the packaging and labelling of dangerous chemicals, prepared by the Health and Safety Executive. HMSO, 60p. ISBN 0 11 883213 1.

Report of the Working Group on the Occupational Safety of Fishermen. HMSO, 50p. ISBN 0 11 512194 3.

Industrial Strategy (see pp 62-4). Memorandum by the Chancellor of the Exchequer and the Secretary of State for Industry. Available from the National Economic Development Office, Millbank Tower, London, SW1P 4QX. Analysis of Sector Working Party Reports available from the same address.

Industrial Innovation. Cabinet Office Advisory Council for Applied Research and Development (see pp 73-4). HMSO, £1. ISBN 0 11 630808 7.

Construction for Industrial Recovery. The role of building and civil engineering in promoting the efficiency of British manufacturing industry. Prepared by the National Economic Development Office on behalf of the Economic Development Committees for the building and civil engineering industries. HMSO, £2. ISBN 0 11 700890 7.

Rabies Virus Order 1979 (SI 1979 No. 135). Under the Order it is an offence to import rabies virus, to keep it, and to introduce it deliberately into animals, except under certain conditions incorporated in a licence issued by the appropriate agriculture department. HMSO, 20p. ISBN 0 11 093135 1.

Farming and the Nation (see pp 66-8). Cmnd 7458. HMSO, 80p. ISBN 0 10 174580 X.

Possible Patterns of Agricultural Production in the United Kingdom by 1983 (see p 68). HMSO, 60p. ISBN 0 11 240326 3.

Trends in Dutch and British Dairying 1975-1978 by T. J. Kelly. A comparison of the progress made in dairy farming in Britain and the Netherlands between 1975 and 1978, based on a sample of farms in each country. Milk Marketing Board. Available from the Board, 36 Christchurch Road, Reading, Berkshire RG2 7AW.

Sea Fisheries Statistical Tables 1977. HMSO, £2. ISBN 0 11 241077 4.

Third Report of the Advisory Board for the Research Councils, 1976-1978 (see p 70). Cmnd 7467. HMSO, 70p. ISBN 0 10 174670 9.

Liability and Compensation for Marine Oil Pollution Damage. Improved Arrangements to Combat Pollution at Sea. Four reports (see p 75), published in two volumes, which form part of the Department of Trade's follow-up action to the Government's review of contingency plans for dealing with a major oil spillage. The review was set up in April 1978, following the *Amoco Cadiz* disaster (see also p 19). Available free from the Marine Library, Sunley House, 90/93 High Holborn, London WC1V 6LP.

Social and Cultural Affairs

Fourth Report of the Standing Advisory Commission on Human Rights. Annual Report for 1977-78. Surveys human rights in Northern Ireland from 1 November 1977 to 31 October 1978. HMSO, 40p. ISBN 0 10 217679 5.

A Better Life: Report on Services for the Mentally Handicapped in Scotland. A report by a Programme Planning Group of the Scottish Health Service Planning Council and the Advisory Council on Social Work. Issued by the Scottish Home and Health Department and the Scottish Education Department. Edinburgh HMSO, £2·50. ISBN 0 11 491598 9.

Concessionary Fares for Elderly, Blind and Disabled People. This Green Paper sets out the Government's proposals for a national scheme providing a minimum half-fare concession on local public transport for the elderly, blind and disabled. Cmnd 7475. HMSO, 50p. ISBN 0 10 174750 0.

Abortion Statistics 1976. Statistics relating to legally induced abortions in England and Wales during 1976. HMSO, £2. ISBN 0 11 690692 8.

16-18: Education and Training for 16-18-year-olds. A consultative paper on the education and training needs of this age group. The paper serves as a basis for discussions which will be held before a White Paper is published later this year. Presented

by the Secretaries of State for Education and Science, for Employment and for Wales. Copies available free from Department of Education and Science.

Curriculum and Assessment in the Third and Fourth Years of Secondary Education in Scotland. A Feasibility Study. A programme of development in relation to the proposals of the Munn and Dunning Committees, which reported in 1977 on the curriculum and assessment in the third and fourth years of Scottish Secondary Schools. Scottish Education Department. HMSO, £1·50. ISBN 0 11 491569 5.

Statistics of Education. School Building Surveys 1975 and 1976. HMSO, £2. ISBN 0 11 270474 3.

National Dwelling and Housing Survey. HMSO, £8·50. ISBN 0 11 751382 2.

A National Heritage Fund. This White Paper sets out the Government's proposals for establishing a National Heritage Fund to replace the National Land Fund. The new fund would be invested in a small number of trustees who would be responsible for providing grants and loans to assist in the purchase of historic buildings, scenic, scientific and historic land, and works of art for the nation. Cmnd 7428. HMSO, 25p. ISBN 0 10 174280 0.

Broadcasting and Youth. A report giving the findings of the Young Adult Study commissioned by the Gulbenkian Foundation, the Manpower Services Commission, the BBC and the IBA into the role of broadcasting in providing information, advice and support for young people aged 14-21 in the process of leaving school and taking on adult responsibilities. Calouste Gulbenkian Foundation, £1·70. ISBN 0 903319 14 4.

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